

The NATIONAL UNDERWRITER

Life Insurance Edition



FRED B. HENRY

Mr. Henry is our District Representative in the small northwest Georgia city of LaFayette. (Population 3,509 according to Rand McNally.) He signed his Franklin contract on December 9, 1947. Here is the record of his earnings.

Cash Income	
1948	\$ 8,764.81
1949	11,157.53

Needless to say, Mr. Henry is very happy. We are very proud of him.

**In my second Franklin year
I nearly doubled my highest
previous income . . .**

February 10, 1950

Mr. Francis J. O'Brien, Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

Your offer to portray my story of accomplishments with the Franklin Life in trade journal advertisements is truly one of the greatest compliments I have ever been paid. There is only one compliment I value more highly and that is the \$11,157.53 paid me by the Franklin for my efforts in 1949.

Prior to my association with the Franklin Life in 1948 I had been associated with an industrial insurance company for 10 years, except for 4 years in the service, and later with one of the giant companies. *In my second year of association with the Franklin I lacked \$270 of doubling the highest income received by me in previous years.* This accomplishment was attained in the same locality and among the same people with whom I had been associated in my previous life insurance experience. The only possible explanation is the exclusive and incomparable contracts offered the insurance buying public by the Franklin Life.

It is a privilege to be an associate of a company which has been built upon the success and security of its agents.

Yours sincerely,
Fred B. Henry (Signed)



The Friendly
**FRANKLIN LIFE INSURANCE
COMPANY**

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS
DISTINGUISHED SERVICE SINCE 1884
One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over \$800,000,000 insurance in force.

FRIDAY, APRIL 7, 1950

THE GOLDEN RULE COMPANY OFFERS YOU
The GOLDEN ROAD to
 IMMEDIATE PROSPERITY AND FUTURE SECURITY

FOR
 AMBITIOUS
 AGENCY BUILDERS

Attract Strong Men—and
 Hold and Reward Your
 Better Men with...

- 1 Liberal 1st Year Commissions and Production Bonus.
- 2 Vested Renewals and Non-Contributory Pension Plan.
- 3 Substantial Rewards to Your Agents for Helping You Build!

Golden Rule
 Agency

Contract

A
 GOLDEN
 OPPORTUNITY

Write today for Details of the Agency Plan
 Inquiries held in strict confidence.

The COLUMBUS MUTUAL
 LIFE INSURANCE COMPANY
 Columbus 16, Ohio

CARL MITCHELL TREE, Pres., BEN F. HADLEY, Supt. of Agencies

\$10
 DISABILITY

What everyone wants! Offered on Preferred Risk and Independence Guarantor Policies. Gives you an edge on competition.

DIRECT
 MAIL

Direct Mail help—extensive, field-tested. Leads developed and preconditioned. Salesmen label it the "GOLDEN" Direct Mail Plan.

NON-
 CONTRIBUTORY
 PENSION

Up to \$400 per month Lifetime Guarantee of Renewal Income. Plus—Commissions and Bonus on any insurance you write!

ACCUMULATOR

New! Most talked about plan in America today. Instant appeal to all prospects. Typical of other equally attractive "income-boosting" sales plans.

TERRITORIES:

Opportunities open in: California, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Texas, Virginia, Washington, D. C., West Virginia, and North Carolina.

Prem
 Elim
 at Zo

Som
 Voic
 Refr

Several
 prehension
 mium rec
 the cours
 subject, at
 at Miami
 any oppos
 the fact t
 oughly ve
 life comm
 April 25-2
 Commis
 opening t
 feels that
 cepts for
 surance v
 penditures
 said, is b
 construed.
 Commis
 also said
 score.
 Frank I
 ana depart
 eral couns
 his is one
 nates prem
 mium is p
 are 27 oth
 make this
 he declar
 there can
 is a stub
 titled "Re
 be comple
 desires to
 this recor
 surance co
 paid.

Record of

Pan-Am
 premium
 nated and
 which we
 requesting
 that out
 10% will
 maximum
 On that
 eliminated

The orig
 cepts, he
 surance co
 the assur
 premium j
 American
 year by el

Commis
 quired wh
 personnel

Mr. Pur
 mainly in
 that he is

Commis
 had no c
 Purvis sa
 committee
 vention a
 America w
 He said
 adverse ac
 want the p
 tion at tha
 Commis

(CO

Premium Receipt Elimination Eyed at Zone 3 Parley

Some Commissioners Voice Misgivings but Refrain from Formal Action

Several state officials expressed apprehension about the elimination of premium receipts in life insurance during the course of the discussion on that subject, at the zone 3 N.A.I.C. meeting at Miami Beach, but agreed not to press any opposition at that time in view of the fact that the matter will be thoroughly ventilated at the meeting of the life committee of N.A.I.C. at New York April 25-26.

Commissioner Larson of Florida in opening the discussion said that he feels that many people like to have receipts for their rent and for their insurance which are their primary expenditures. The lack of receipts, he said, is being misunderstood and misconstrued.

Commissioner Southall of Kentucky also said he has misgivings on this score.

Frank Purvis, formerly of the Louisiana department and now associate general counsel of Pan-American Life, said his is one of 28 companies that eliminates premium receipts when the premium is paid by check. He said there are 27 other companies that intend to make this elimination. A canceled check, he declared, is the most valid receipt there can be. He pointed out that there is a stub on the premium notice entitled "Record of Payment." This can be completed by the assured and if he desires to have a receipt he can send this record of payment stub to the insurance company and it will be stamped paid.

Record of Pan-American

Pan-American, he said, sent out 50,000 premium notices with the receipt eliminated and received 20 letters, 12 of which were complimentary and eight requesting receipts. It was estimated that out of 100,000 premium notices, 10% will be paid by cash and that a maximum of 10% will want receipts. On that basis 81,000 items would be eliminated.

The original purpose of premium receipts, he said, was to protect the insurance company and to give notice to the assured that he could not pay his premium just to anybody. He said Pan-American is saving about \$10,000 a year by eliminating the receipts.

Commissioner Cravey of Georgia inquired whether this might not eliminate personnel that might need work.

Mr. Purvis replied that the saving is mainly in postage. Mr. Cravey replied that he is opposed to it 100%.

Commissioner Martin said that he has had no complaints in Louisiana. Mr. Purvis said that at the N.A.I.C. life committee meeting American Life Convention and Life Insurance Assn. of America will have extensive memoranda. He said if zone 3 insisted on taking adverse action, A.L.C. and L.I.A. would want the privilege of making a presentation at that time.

Commissioner White of Mississippi
(CONTINUED ON PAGE 24)

Comptroller General Hits NSLI Practices

By HENRY HALLAM

WASHINGTON—Additional criticisms of National Service Life have been made by Comptroller General Warren in letters to Rep. Hardy, chairman of the subcommittee on government operations, House expenditures committee. Warren suggests legislation to limit "the allowance of interest" on the NSL and other government trust funds "to the normal rate currently being paid on funds borrowed from the public," which is at present about 2.23%.

Warren criticized paying NSL dividends to aviation cadets and others for that portion of the premiums paid by the government without cost to the insured. He says "it would appear" the \$2.8 billion NSL dividend "will constitute a return or rebate to those policyholders holding 5-year level term insurance of an amount in excess of 70% of the premiums paid."

Arrives at Figure of \$49,480,500

"Accepting as a premise (1) a dividend payment equal to 70% of premiums paid; (2) current evidence of aviation cadet man-months and (3) current information regarding payments from the NSLI appropriation to the USLI fund, for premiums waived on account of disability due to the extra hazard of military or naval service, it now appears that the dividends applicable in those instances and for those periods which the premiums were paid by the U. S. from appropriated funds will approximate the total sum of \$49,480,500."

Warren estimates premiums paid by the government, not by veterans, at \$70,686,430. Of the \$49 million, he estimates that \$33,309,000 represents dividends on account of premiums waived for disability due to extra military service hazards, and \$16,171,000 represents dividends related to government-paid premiums on account of aviation cadets serving in a free insurance status.

He refers to "Life Insurance," by Joseph B. MacLean, as indicating that "in normal commercial practice, premium adjustments or dividends under group

life insurance policies are made with an employer who pays the premiums rather than with the policyholders. . ."

Warren suggests as "pertinent to the issue" involved, the "nonavailability" of the NSL dividends for collection of debts of veterans to the government "running into hundreds of millions of dollars."

The effect of that decision is to limit recovery of veterans' debts from dividend payments to those arising from overpayments and illegal payments made under veterans' laws, and precludes action to collect from dividends, debts of veterans arising from other causes "conservatively estimated at approximately \$300 to \$400 million."

Cites Undisclosed Subsidy

In view of absence of a provision requiring a specific interest rate to be paid on the NSL fund, Warren says, "there would seem to exist a serious doubt that public debt obligations should be issued therefor bearing interest at a rate in excess of the current interest rate being paid by the government on ordinary public debt issues."

He sees in payment of excessive interest "an undisclosed subsidy" of the NSL fund by the government, in addition to those authorized in the act, such as government payment of administrative expenses, losses due to extra hazard of military service "including the extra cost arising due to the use of an obsolete annuity table."

Prudential Reassigns Ordinary Responsibilities

Changes in the ordinary agencies department of Prudential have been brought about by assignment of W. Jackson Letts to the southwestern home office. Kenneth C. Foster, who has been superintendent of agencies, metropolitan area, is now superintendent of agencies and general manager.

To handle the metropolitan area Donald E. Bishop has been advanced from regional manager, mid-continent region, to superintendent of agencies. Mr. Bishop also assumes charge of the eastern area formerly handled by John S. Skelly, superintendent of agencies. Mr. Skelly will continue to supervise the southern area and will also take over responsibility for the administrative staff of the department.

William E. Young, associate regional manager, will be in charge of the mid-continent region. This region will continue along with the central region under Robert J. Murphy.

Counsel Meeting Dates

Federation of Insurance Counsel will hold its annual convention Sept. 14-16 at Atlantic City.

L. A. Regional Rally April 14

Life Insurance Managers Assn. of Los Angeles will hold its annual regional conference April 14. Managers and general agents from all of Southern California will participate.

Program for A.L.C. Medical Section is Shaping Up

The program for the annual meeting of the Medical section of American Life Convention, June 15-17 at White Sulphur Springs, W. Va., will include:

Dr. William D. Stroud, University of Pennsylvania; Dr. Albert W. Bromer, Metropolitan Life; Dr. John L. Browne, McGill University; Dr. J. Keith Gordon, Sun Life, Canada; Dr. Edward S. Dillon, Penn Mutual Life; Dr. C. Montgomery, Manufacturers Life.

L. A. Actuaries Hear Cooper

At a meeting of Los Angeles Actuarial Club Leslie J. Cooper, associate actuary and tax counsellor of Pacific Mutual, spoke on the proposed changes in federal income tax on life companies.

N. J. Bills to Hike TDB

Companion bills in the New Jersey legislature would increase temporary disability benefits from \$22 for 26 weeks to \$26 for 26 weeks. Original bills asked for \$30 for 26 weeks and included some reforms business wanted, such as better control of malingering cases. The substitutes measure pretty well washed out the reform suggestions and reduced the asking price. Observers say some increase is probably inevitable.

Chicago Underwriters See Films

Chicago Home Office Life Underwriters Assn. at its April meeting viewed the films "Drilling for Oil" and "Breast Cancer." Discussion followed.

N.A.L.U. Sponsors National Pension Meeting at Chicago

New Committee • Invites 3,000 Top Executives to Attend

A national pension conference, featuring some of the country's leading authorities on pension and benefit plans, will be staged at the Hotel Sherman, Chicago, April 20, by National Assn. of Life Underwriters.

Hundreds of midwest executives, bankers, attorneys, and educators have indicated their intention to attend the conference, according to Henry S. Stout, John Hancock, Dayton, chairman of the committee on industry development and information, under whose direction the pension conference will be held. Judd C. Benson, N.A.L.U. president will preside. There have been 3,000 invitations sent out.

Morning Speakers

Featured at the morning session of the conference will be D. N. Warters, executive vice-president Bankers Life of Iowa, who will discuss, "Methods of Funding a Pension Plan," and J. Irl Beatty, vice-president Pillsbury Mills, whose subject is, "Modern Trends in Employee Benefit Plans."

Dr. Ernest H. Hahne, economist and president of Miami University, Oxford, O., will be the luncheon speaker on the "Economic Aspects of Pension Plans."

Stefan Hansen Speaks

The afternoon program includes Stefan Hansen, group actuary Great-West Life, who will analyze the "Risks Involved in Pension Plans," and Dwight J. Thomson, vice-president and director of industrial and public relations Champion Paper and Fibre Company, on "Why Our Company Chose an Insured Benefit Plan."

A local committee headed by C. Rigdon Robb, Northwestern Mutual, and Harry H. Schultz, Mutual Life, president of the Chicago Assn. of Life Underwriters is in charge. Other members of committee are Joshua B. Glasser, Continental Assurance; Charles R. Hermes, New England Mutual; Philip B. Hobbs, Equitable Society; Ben S. McGiveran, Northwestern Mutual; and H. Kennedy Nickell, Connecticut General.

This conference is the first of a series of activities planned by the committee on industry development and information to acquaint business and industry and the public with the services offered by legal reserve life insurance companies and their agents.

Hold Executive Session On Life Company Tax

WASHINGTON — The Senate finance committee went into executive session Thursday on life insurance company taxation legislation. Observers speculated the committee would probably eliminate 1947 and '48 from application of the Doughton bill's formula and not adopt the average valuation principle as basis for permanent legislation.

TO THE BROADMOOR IN 1951

Society of Actuaries Sets Attendance Record at First Spring Meeting

By ROBERT B. MITCHELL

With a record-breaking attendance of more than 600, the Society of Actuaries

held its first spring meeting in New York City, devoting nearly all of the two-day gathering to informal discussion. There was no presidential address and presentation of papers and other business were whisked through in less than an hour, clearing the way for the informal discussion that is the big feature of these meetings.

Even though most of the discussers spoke from well-prepared manuscripts rather than from the inspiration of the moment, they held the close attention of the large audience. Once in a while a speaker would give out with impromptu remarks elicited by another's views. But with a gathering of 600 or so, neither the atmosphere nor the practical considerations lend themselves to the give-and-take that used to characterize the meetings of the Actuarial Society and the American Institute of Actuaries.

Select Broadmoor for 1951

For its annual meeting the fall of 1951 the Society will go to the Broadmoor hotel, Colorado Springs, it was announced.

For the opening discussion, President E. M. McConney, who is president of Bankers Life of Iowa, turned the gavel over to B. T. Holms, Confederation Life.

James E. Hoskins, actuary of Travelers and chairman of the aviation committee, reported on recent experience under U. S. military aviation.

During the 2½ years ended June 30, 1949, the aviation death rate among air force pilots averaged for all types of flying, about 2½ deaths per 100,000 pilot hours. A breakdown of the experience by type of plane shows that jet aircraft flying has a fatal accident rate about nine times as high as the over-all average, fighter aircraft about six times and rotary-wing flying about four times.

Not Statistically Significant

Military air transport service scheduled flying covering about a billion passenger miles during the period January, 1948, to June, 1949, showed no fatal accidents. While the fatality rate in commercial scheduled flying has recently been of the order of two deaths per 100 million passenger miles, a single fatal accident can result in a large number of deaths so that the experience of 18 months is not statistically significant.

Among military parachute jumpers the experience in the years following the war has not been significantly different from that during August, 1940, to July, 1942, at the parachute school, Fort Benning—about two deaths per 100,000 jumps. During the three years, 1946 to 1948, there were only seven deaths among paratroopers due to jumps and crashes. However, in January, 1950, 12 were killed in one crash.

Nothing is in prospect to warrant expectation of a significant rise in interest rates in the near future, said E. W. Marshall, vice-president Provident Mutual. He also discussed expenses of operation as a factor in life insurance costs. He said that numerous details

point to a continuing high level of costs, notably the demand for increased policy service and the rising cost of competition in a highly competitive field.

DIRECT PLACEMENTS

H. B. Wickes, vice-president Security Mutual of Binghamton, said the availability of direct placement board issues at a better return than attainable on the open market, especially in the smaller amounts of \$50,000 to \$500,000, suggests a market of interest to smaller life companies as well as larger ones.

Discussing surplus distribution, Walter Klem, Equitable Society, Edward H. Wells, Mutual Life, and Frank A. Week, Metropolitan, explained technical methods of arriving at reasonable and proper allowances in the dividend calculations for the liberal settlement options contained in older policies.

Horace R. Bassford, vice-president of Metropolitan, discussing the method used by Metropolitan Life in surplus and dividend determination, stressed that each branch of the business should be maintained on a self-supporting basis.

Reviewing the subject of policy changes, John W. Clarke, assistant actuary Travelers, stated that they should be considered a part of the service that is owed to the policyholders. His company has made no effort to reduce the volume of cases but has endeavored to cut costs as much as possible by work

simplification. A reduction of about 45% in number of changes has taken place in the last 10 years, although there was a temporary increase shortly after the war.

J. Gordon Beatty, vice-president and chief actuary Canada Life, explained efforts made by his company to reduce change costs by using endorsements and riders to avoid rewriting policies. His company has reduced the number of changes by educating field personnel as to the costs involved. A change involving both insurability and policy rewriting can run the cost to \$20, excluding the medical examination fee paid by the insured. Quotations on many cases never actually consummated add considerably to costs. He pointed out that the number of changes is not increasing in spite of a larger volume of business.

John E. Lowther, Metropolitan, also reported a change cost of \$20 to \$22 and said his company has made no effort to keep down the volume of cases. He and John L. Stearns, vice-president and actuary New England Mutual, agreed that the volume of changes was lower than before the war.

Should Go to Actuary First

Ray D. Murphy, executive vice-president and actuary of Equitable Society, emphasized that usually the terms of new policy forms should first be drafted by the actuarial department and then be sent to the legal department, since the benefits and the conditions of coverage

are the most important factors to be considered in issuing new policies and it is the actuary who understands these in detail. Mr. Murphy said the actuary must give attention to expense factors, since these affect greatly the loading in the premiums, the benefit formulas, and the asset share calculations.

To the extent that the actuary might be placed in charge of such work as the maintenance of basic policy records and the recording of and accounting for policy dividends, he must be a competent administrator and be able to supervise large administrative units, Mr. Murphy said. It is also important, in a large company, to be sure that the actuarial organization is sufficiently cohesive and that men are trained to a particular company viewpoint in order to provide for future advancement. One method of achieving this is to hold regular meetings of the professional staff in which the major problems of the department and the company are discussed.

TIE MUST BE CLOSE

Harold E. Dow, associate actuary Prudential, said the manner of organization of an actuarial department depends to a large extent on the size of the company and the functions that department is intended to perform. He also stressed the fact that in group insurance, even though many of the problems encountered are somewhat different from those in the ordinary insurance, the strictly actuarial functions should be tied very closely to the actuarial department. He said that some 40% of Prudential's Society of Actuaries fellows are working on group insurance or group annuities.

Ronald G. Stagg, president Northwestern National Life, gave the view of a medium-sized company. Mr. Stagg compared the actuary in a life insurance company to an engineer in a large industrial firm and stated that the actuary can be of service throughout the organization and can perform many valuable non-actuarial services. He suggested that it would be possible to have actuaries detached from the actuarial department itself, engaged in such departments as policyholders' service, underwriting research, securities and investments, claim tabulating, comptroller, salary administration and also said there is considerable use for younger actuaries in the capacity of an executive assistant to the top officers of the company. When the actuary is working in another department, his responsibility is jointly to the head of that department and the company actuary and that he must be alert to coordinating the activities of both.

Additional Fields for Actuary

Henry F. Rood, 2nd vice-president of Lincoln National, enumerated many fields other than rates, benefits and valuations in which the actuary can be of considerable service. He stated that agency and other expenses, the annual statement, taxes, reinsurance, special settlement agreements, and retirement plans can all benefit from actuarial technique. Many actuaries are finding interesting work in both underwriting and agency departments, and they also make good executives, over one-half of his company's executive officers being members of the society. In addition, he stressed the need for a flexible organization and said that while the individual actuary might take on some additional duties of a somewhat different nature

(CONTINUED ON PAGE 22)



E. M. McConney



When Income STOPS!

Millions of G. I.s during the recent war sacrificed \$22.00 a month out of a \$50.00 income because they clearly saw the problems and difficulties which would confront their families if they were killed in action and their income stopped forever. Think of it! Saving 44% of income!

When a man, who is insurable and could rearrange his budget to pay for it, still refrains from buying a suitable amount of life insurance, you can be almost certain that he has failed to visualize fully what will happen when his income stops.

It will be wise on your part to help him to get a vivid picture of the predicament in which his family will be placed when that inevitable day comes.

Remember G. I. Joe who sacrificed 44% of current income to provide protection for his loved ones.

Insurance in Force February 1, 1950—\$434,524,178

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

Prudential
Open
H. O.

Third
Sche
Hand

HOUS

in 1951
serve sev
announc
dent of
tended b
hundre
city's c
business
A simult
nouncem
made to
ploys in
office at
Harold M
execut
president

The n
western
fice will
in an ul
13-story
be erecte
rock hot
In add
ark of a
and exp
will also
area. T
open late

Headqua

The so
quarters
Arkansas
ssippi, M
a territo
of 22,27
said, ha
in the a
policyho
approx
Charles
charge c



W. J. Stagg

estate in
the new
W. Jac
dent, w
agencies
Sterrett,
the mor
vestment

The I
regional
dential.
was ope
business
wait. A
this yea
tions in
The
most c
business
explaine
framew
laid do
director
The c

Prudential to Open Southwestern H. O. at Houston

Third Regional Unit, Scheduled for 1951, Will Handle Seven States

HOUSTON—Plans for establishment in 1951 of a new home office here to serve seven southwestern states were announced by Carrol M. Shanks, president of Prudential, at a breakfast attended by several hundred of the city's civic and business leaders. A simultaneous announcement was made to the employees in the home office at Newark by Harold M. Stewart, executive vice-president.

The new southwestern home office will be housed in an ultra-modern 13-story building to be erected on a site near the new Shamrock hotel.

In addition to the transfer from Newark of a necessary number of skilled and experienced employees, personnel will also be recruited in the Houston area. The new office is expected to open late in 1951.

Headquarters for Seven States

The southwestern office will be headquarters for Prudential operations in Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas, a territory with an estimated population of 22,279,000. Prudential, Mr. Shanks said, has about \$687 million invested in the area and its 1,350,000 Prudential policyholders have life insurance totaling approximately \$1,600,000,000.

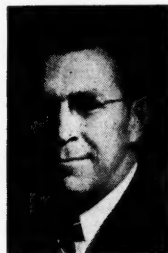
Charles Fleetwood, vice-president in charge of the mortgage loan and real



C. Fleetwood



W. J. Letts



T. W. Sterrett

estate investment department, will head the new office. He will be assisted by W. Jackson Letts, second vice-president, who has been with the ordinary agencies department, and Thornton W. Sterrett, presently general manager of the mortgage loan and real estate investment department.

The Houston office will be the third regional home office established by Prudential. In 1948, a western home office was opened at Los Angeles to handle business in 11 western states and Hawaii. A second office will be opened late this year at Toronto to manage operations in Canada.

The regional home offices have almost complete autonomy in handling business in their own areas, Mr. Shanks explained, but they operate within the framework of broad company policy as laid down by the president and the directors.

The company has gotten out a book-

PERSONALITY TAX IS FACTOR

Life & Casualty Transfer to Knoxville Is Sought

NASHVILLE—First round in a fight to transfer headquarters of Life & Casualty from Nashville to Knoxville resulted in defeat by the board of directors here Monday of a proposal by President Paul Mountcastle, Sr., that the move be made because of the high personality taxes the company has to pay here. Mr. Mountcastle told the board that these taxes have increased from \$150,000 to \$292,000 in four years. In Knoxville, Vice-mayor Milton Roberts promised a royal welcome to Life & Casualty and indicated that a move for tax concessions would be considered by the city council.

Mr. Mountcastle, a resident of Knoxville for many years and head there of Fireproof Storage Co., succeeded A. M. Burton as president Feb. 7. It was reported at Knoxville Monday that Mr.

Mountcastle was negotiating for the purchase of radio station WROL of that city. Life & Casualty owns station WLAC of Nashville.

Informed of the proposal to move Life & Casualty to Knoxville, President Emeritus Burton said: "I am sure that nothing like that is going to happen. It would take a majority vote of the board before it could be approved."

Mr. Mountcastle is expected to continue to fight.

let, pointing out that in October of 1950, Prudential will be 75 years old. The book describes the seven major steps that have been taken in the organizational structure to keep pace with growing business over the period in setting up district, ordinary, debit accounting, mortgage loan, group, and district agencies regional offices to a total for all of 1,320, and more recently the establishment of a western home office at Los Angeles and a Canadian home office at Toronto.

The booklet notes that the home office at Newark has an average of 1,082,928 transactions a week. The establishment of the Toronto and Houston offices, it is explained, is based on the successful experiment at Los Angeles. A statement by Mr. Shanks adds that the company has found that continuous

decentralization is necessary in order to maintain service at maximum efficiency. Mr. Shanks states it is essential that the expeditious handling of an increasing number of mortgages and small business loans requires Prudential executives to have an opportunity to know and understand the communities in which the loans are to be made. However, it is essential that overall distribution of funds be guided from one central point so that Prudential's resources can be placed in such a way as "to encourage development of the economy."

He emphasizes that establishment of regional home offices will not reduce drastically the scope or size of the home office operation in Newark, where policymaking and coordinating machinery will continue to be located.

Two Ways of Life

Robert A. Whitney, President of the National Sales Executives, writes in The Iron Fireman Magazine:

"The salesman is vital to the continuation of our American system. The average American salesman keeps 33 men and women at work producing the products he sells. With four in the average family, this means that every salesman is responsible for the livelihood of 130 people—the salesman, top job maker in your community.

"The salesman may be called the spark plug of our economy. He makes our free enterprise system tick. He persuades us to exchange our dollars for the things which make life better and more enjoyable. By keeping the cash registers ringing, he also keeps our factories humming.

"There are really only two ways of life . . . the free way, where we are free to sell and be sold; under which we can make our own choices and rely on persuasion rather than force to get what we want.

"The other method is to tell and be told. This is the totalitarian way. You take the kind of goods the government allows to be made, or you do without. Nobody has to bother to persuade you."

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

Illinois Caps Year of Achievement with Record Turnout

Plan '51 Legislative Stand; Train Guns on Temporary Licenses

Crest of a year in which the Illinois State Assn. of Life Underwriters rode the top of the wave in membership legislative success and sectional solidarity was the annual meeting at Chicago at which more delegates were present than ever before. A rousing send-off was given Chester T. Wardwell, Connecticut Mutual, Peoria, who had been president of the association during an eventful year in which relations between downstate and Chicago were cemented by a redistribution of delegates according to size of associations. The plaque awarded the association by N.A.L.U. for doing the outstanding membership job was placed in front of the rostrum as a reminder and an inspiration. The newly elected president, William E. North, New York Life, Chicago, is with Mr. Wardwell one of the new generation of Illinois

NEW OFFICERS ELECTED

President—William E. North, New York Life, Chicago.

First vice-president—Kenneth L. Keil, Penn Mutual, Springfield.

Second vice-president—Dawn A. Smith, Equitable Life of Iowa, Rockford.

Secretary-treasurer—Edson H. Chapman, Metropolitan Life, Chicago.

association officers who have engineered a regeneration of what is now the third largest state association in the country.

Fireworks were provided at the session when N. Eric Bell, State Farm, Bloomington, a past Illinois president, expressed strong opposition to a motion to recommend to the legislative committee the removal of the 90-day temporary agents' licensing provision which is the chief point of difference between the Illinois agents' qualification law and the model recommendations of N.A.L.U. Mr. Bell maintained that multiple line agents, such as those contracted by State Farm, have a complicated proposition before them when they come up for licensing. He termed it unfair to throw a licensing examination at them before they have had time for study and experience.

There was considerable testimony for the motion during this discussion and this opinion was summed up by John D. Moynahan, Metropolitan, Berwyn, N.A.L.U. vice-president, who said that in Massachusetts, Connecticut, New York and Pennsylvania temporary licensing laws have been successfully eliminated, even though there are many multiple line agents in these states. Mr. Bell remained adamant and when the question was called for, commented: "If you sponsor such a measure and it goes to the state legislature, I warn you, I shall appear against the bill and against you." The motion was passed with Mr. Bell and two other delegates dissenting.

Grass Roots Planning

There was considerable evidence that the state association is preparing already for extensive grass roots campaigning in matters affecting the 1951 legislature. President Wardwell in his message urged particular concentration on opposing any one of three laws pro-

posed at a meeting in Chicago last month between state, city officials and labor leaders to give the Chicago city council virtually unlimited power to license business and professions. Such a measure was defeated in the last session of the legislature.

Advices Opposition

Robert R. Reno, Jr., Equitable Society, Chicago, in his report as state law and legislation committee chairman, also underlined the danger from this source and said that a bill is in the mill to give municipalities power to tax life insurance agents. Mr. Reno also forecast another attempt at some type of state level compulsory disability legislation in 1951. He commented that there is a lot of labor support behind such a bill, and that "we should oppose such a measure until the demand becomes too strong for opposition. Then it is up to us to make

certain that it is a sound bill like that of New York state, permitting private contracting for insurance."

A resolution was passed backing Mr. Moynahan, for election to the presidency of N.A.L.U. next fall.

Mr. North, in taking over the gavel, pledged continuing membership effort to make Illinois association the first state association in the country to win the Philadelphia award two years running. He spoke of plans to consolidate the by-laws into one piece during the coming year, and said that better public relations would be the theme song of the association during the year.

An ovation was given Margaret H. Becker, executive secretary of the association and her assistant, Marilyn Griffiths for their help in building the association to membership in 27 local associations of approximately 4,000 agents. Balloting for new officers was unanimous.

Connecticut General Life Insurance Company

Hartford, Connecticut



FRAZER B. WILDE
President

EIGHTY-FIFTH ANNUAL REPORT

DECEMBER 31, 1949

OBLIGATIONS

† Funds set aside for future payments to policyholders and beneficiaries	\$617,276,424
Money paid to policyholders and beneficiaries, and put back with the Company to be held on deposit at interest. Also premiums paid in advance by policyholders	59,250,987
Participating policy dividends payable in 1950	3,008,363
Taxes payable in 1950	4,231,880
Special funds set aside chiefly because present interest rate is less than is guaranteed in certain policy contracts	15,000,000
All other obligations	2,123,747
Total obligations	\$700,891,401

Capital stock	\$ 6,000,000
† Contingency funds	21,411,000
Surplus	30,793,739
Total to provide additional security for policyholders and beneficiaries	58,204,739
Total	\$759,096,140

† These figures shown in Massachusetts, New York, Ohio and Tennessee statements differ slightly because of technicalities in the laws of those states.

ASSETS

Bonds	\$413,231,974
Stocks	19,213,630
First mortgage loans	272,737,726
On city and farm properties (including FHA home loans and loans under the veterans' home loan program of \$92,973,544)	
Real estate (including \$2,999,487 for Home Office)	11,643,527
Loans to policyholders	15,588,593
Bank deposits and cash	10,591,465
Other assets	16,089,225
Premiums in process of being collected, accrued interest on investments, etc.	
Total assets	\$759,096,140

Insurance in force, December 31, 1949 \$3,181,501,590

LIFE; ACCIDENT, HEALTH AND GROUP INSURANCE AND ANNUITIES

Actuaries Give A. & H. Catastrophe Hazard Thorough Going Over at New York Meet

The A. & H. catastrophe hazard, both for the individual unlucky enough to suffer a prolonged illness and for the company hit by epidemic or disaster claims, got considerable attention at the New York City spring meeting of the Society of Actuaries.

Opening the discussion on various phases of sickness insurance, Harold E. Dow, assistant actuary Prudential, said that while there had been increases in the scope of group A. & H. coverage, not enough has yet been done to take care of the financial drain arising by reason of truly catastrophic illness. One reason for not making greater progress is the lack of well established standards of payments to physicians, especially in the case of catastrophic losses. He pointed to the possibilities of a deductible coverage, with the first \$200 or \$300 of expense borne by the patient, or the underwriting of a proportion of the total medical cost as fields to be considered, emphasizing that lack of suitable coverage for catastrophic illness could become a vulnerable spot in the private insurance program.

Smith Cites Progress

J. Henry Smith, associate actuary Equitable Society, explained the progress being made toward a solution of the standardization of medical charges on the lower income groups by the Health Insurance Council which is composed of representatives of the various insurance trade associations. So far, surgical schedules have been given the greatest attention but further efforts are in progress. He reported that a meeting of the council of the American Medical Assn. and a group representing various segments of the voluntary insurance business is to be held within a month or two in Chicago to consider the mutual problems of the medical profession and private insurance carriers.

Marcus Gunn, vice-president and actuary California-Western States Life, described his company's experiments in writing sickness expense insurance with high limits, up to as much as \$1,000 for hospital benefits, which he considered were producing satisfactory results. He thought the California unemployment compensation disability plan was, so far, functioning reasonably satisfactorily. One main need is for adjustments in the law to make fair allowances for premium taxes of the carriers.

He was hopeful that, if voluntary plans cover a large part of those eligible within a year or two, the legislature would make needed adjustments. When premiums are expressed as percentages of payrolls, they are subject to prompt reduction when payrolls decrease, but the benefits do not immediately decrease as pay decreases nor stop immediately upon lay-off. Consequently Mr. Gunn thought special reserves for this factor, as well as for epidemics, etc., even more important for group A. & H. than for group life insurance.

Tells Railroad Program

Abraham M. Niessen of the railroad retirement board briefly described salient features of the sickness insurance program administered by the board and presented statistics on the operation of the program.

Reinhard A. Hohaues, actuary Metropolitan Life, outlined briefly the progress being made under the New York disability benefits law in reaching mutual understanding between the workmen's compensation board and insurance carriers through the work of a special liaison committee.

John J. Marcus of Prudential discussed some of the complications arising from the use of social security tax returns as a basis for premium billing and pointed out that premiums can drop sharply while benefits remain at a high level, thus requiring suitable reserves.

Edward A. Green, John Hancock; Stanley W. Gingery, Prudential, and

L. S. Wagenseller, Metropolitan Life all discussed, and urged the necessity for, special reserves for group A. & H. Because of epidemics, changes in economic conditions and other factors group A. & H. insurance benefits are subject to wide fluctuations and the need for contingency reserves is as great, if not greater, than for group life insurance. Mr. Gingery emphasized that even higher reserves to include contingencies such as the Texas City disaster might be appropriate for group accidental death and dismemberment benefits.

Assessments in New York Law

Herbert S. Stark, associate actuary Metropolitan Life, discussed the two assessments provided under the New York disability benefits law. The first presents few problems, covering administrative expenses incurred by the workmen's compensation board. However, the second, allowance for disability payments to sick unemployed persons, may fluctuate widely because of business conditions. Based on a not unreasonable guess of 15% unemployed over the entire business cycle, calculations indicated that as much as 15% of the gross premium might be required for this assessment and proper reserves would be required to keep costs within reason during depression years.

William W. Fellers, the Wyatt Co., also discussed the possible need for reserves on group A. & H., including allowance for the charging of flat premiums while the claim rate tends to rise with age. W. Rulon Williamson of the same company closed the discussion by pointing out that actuaries should emphasize the need for a proper contingency reserve approach to cover epidemics, depressions and other fluctuations, because others involved in the negotiations of all types of plans may not recognize or understand this need.

A.L.C. Schedules Three Regionals

Regional meetings of American Life Convention are to be held at Des Moines April 12-13, Chattanooga April 19-20 and Houston April 24-25.

Presiding at the regionals will be A.L.C. President S. J. Hay, who is president of Great National Life. Robert L. Hogg, executive vice-president, also will attend.

At Des Moines an attendance of more than 100 from 53 companies is expected. The Des Moines companies will be hosts at luncheons both days and at a cocktail party and dinner the first evening. The committee in charge is headed by E. M. McConney, president Bankers Life, as chairman.

A dinner at the Fairland Club atop Lookout Mountain is a prospective highlight of the regional at Chattanooga. The local arrangements committee is headed by Whitlow B. Wallace, secretary of Volunteer State Life.

In charge of arrangements for the Houston regional is P. M. Greenwood, executive vice-president of Great Southern Life. It is expected to draw an attendance of 80 to 100 from probably 50 companies. A cocktail party will be held in the evening with Great Southern and American General as hosts. Texas Life Convention will entertain at the dinner to follow.

L.U.T.C. Issues Brochure

Life Underwriter Training Council has published a brochure of its training courses which is being made available to field men and home office personnel. It outlines the purpose of the program, the scope of the first and second year course materials, explains enrollment procedure and describes scholarships.

Support Growing for Overhaul of SS System

Believe Study Will Show Program Should Be Put On Pay-as-You-Go Basis

Considerable support is developing among life insurance people for an overhauling of the entire federal social security system. Many think that there is a need for a thorough study of the problem of the aged and the pension issue. Such a study may lead to the conclusion that a new approach to the provision of old age benefits is needed.

Some believe that the remedy is to place the system on a pay-as-you-go basis by which each generation, including the present one, provides subsistence support for all its aged by current taxes. The pension boom makes an impartial study of the problem of immediate urgency. It would lead to clearer public thinking and a workable solution. Perhaps it would result in a definition of the proper spheres for government, employer related and private pension plans.

A sounder basis for social security can be achieved, this school believes, if more attention is paid to taking care of current aged. It is from them that pressure for pensions and increased social security benefits comes. Increasing future benefits does not take care of those who now get no benefits or whose benefits are not up to the subsistence level because of inflation.

If all present aged are brought under the system the social security reserve fund will probably stop accumulating. Proponents of increased benefits will then have to cease promising greater benefits than are now granted with no tax increase. Congress will be financially responsible for its decisions because it will not be able to legislate extra benefits without legislating extra taxes to pay for them.

Economic Truths

The tendency is to suggest that all aged receive subsistence support from taxes on the producing population now and in the future. Present discussions are prone to emphasize benefits and almost ignore their financing.

The economic truth is that unless resources are increased, the cost of a pension is some amount of present consumption foregone by the currently employed. Carroll R. Daugherty, chairman of the Presidential steel board, said recently. He added that labor and management had disregarded the board's main recommendation which was that they make a thorough study of the pension question.

LINTON PROPOSAL

M. Albert Linton, president of Provident Mutual, who has represented Life Insurance Assn. of America and American Life Convention at congressional hearings, and who is a recognized authority on the subject, recently wrote, as an individual on behalf of several students of the problem, in relation to H.R. 6000, that the bill provides benefits for the future without solving the problem of the present aged. It promises future benefits to the then aged by the then working. But, he says, "we of this generation are not doing for the present population over 65 what we want to have done for us later on." It is easy to promise large future benefits for some-

one else to provide. He suggests that the system be placed on a pay-as-you-go basis and that all current aged receive benefits out of current OASI income.

This would solve the contentious problem of reserves, as benefits would take about all of the 3% payroll tax and increases in reserve would be slowed down or halted. He says a uniform benefit would not be satisfactory because of widely varying living standards. A minimum monthly benefit of \$25 per aged retired worker could be paid, or \$50 per aged couple, to those having

either no wage credits or insufficient credits, under a formula to be adopted. When the formula provided more than the minimum, the larger amount would apply. Thus, within reasonable limits, retirement income would vary with prior earnings. Eligibility would be determined by an earnings test so that only those who had retired would receive an income. These benefits would entirely replace old age assistance. Such a plan would have disadvantages and dangers, he admits, but would help solve the problems caused by the present joint system of OASI and old age assistance.

Ray D. Murphy, executive vice-president and actuary of Equitable Society, also favors a study of the problem. He says "with all the uncertainties that are inevitable with respect to the future, survival rates, birth rates, wage levels, production activity, etc., how can we continue to represent to the people of this country that we are legislating a long-range mandatory savings plan leading to guaranteed fixed benefits in the future?"

These views represent the thinking of an increasing number of others. They

(CONTINUED ON PAGE 24)



Here comes the bride . . .



You never want to let her down. And you never will if you carry Union Central's Ordinary Life Policy. This is not a "die-to-win" policy. Instead it is the lowest cost *permanent* insurance which is available.

Union Central's Ordinary Life Policy works along with you—meeting your changing needs, your varying problems. When you buy your Ordinary Life Policy, it is the contract which best fits your pocketbook. However, the privilege of conversion to a higher premium plan allows you to have your Ordinary Life Policy changed to another type of insurance whenever your situation requires a different form of protection.

Union Central's Ordinary Life Policy is the simple, economical way to prepare for the changing tomorrow—to make sure it will develop into a happy "today" for you and those you love.

* * * * *

The Union Central Agent has a plan to meet every life insurance need. He has contracts ranging from Non-Convertible Term, the lowest premium policy of all, to Single Premium Endowment, the highest. Through these modern, liberal policies, he can provide the finest possible life insurance coverage for applicants from birth to age 65, inclusive.

The Union Central Life Insurance Co.
CINCINNATI, OHIO

WHEN DISABILITY STEPS IN...

THE ONE THING that usually stops when a home buyer gets disabled is his income.

Nothing else does. The family still gathers at table three times a day. The bills roll in steadily. The mortgage payment falls due each month.

That's why the only complete Mortgage Protection plan is one that pays the mortgage instalment during disability.

The Occidental plan does. It pays *lifetime* income for lifetime disability. At death it also pays the remaining debt balance and gives the widow a two-year income.

We've yet to find a home buyer who does not like this kind of mortgage insurance.



Occidental Life

INSURANCE COMPANY of CALIFORNIA

V. H. JENKINS, Senior Vice President

"WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO"

We're Expanding

Don't get us wrong . . . we're not putting on weight. But we are expanding in Illinois, Michigan and Missouri where our agency expansion program is going full blast.

Fast-selling exclusive policies (our Juvenile Estate Builder, our 20 Pay Retirement Income, and our Low Cost Family Income plans); top commissions; double bonus awards; liberal vacation plans — that's helping us expand.

If you want to expand too in your own right, write us today.

Bankers Mutual Life Insurance Company

HOME OFFICE FREEPORT, ILLINOIS



Agents' Expenses Have Risen to as Much as 29% of Income, Tentative Data Show

"Very tentative" results of National Assn. of Life Underwriters statistics on agents' earnings and expenses indicate that agents' expenses have risen from approximately 22% of gross income in 1944 to as high as 29% in 1949, said Gordon D. McKinney, actuary of N.A.L.U., at the New York City spring meeting of the Society of Actuaries.



G. D. McKinney

Mr. McKinney said that although there are serious technical problems to be solved in revising section 213 of the New York law "we must not forget the important human problems involved. Agents are writing a lot of business today, but this does not necessarily mean that they are prospering." Institute of Life Insurance statistics indicate that the average insurance premium has dropped from \$29.20 in 1945 to \$24.10 in 1948. Also, the selling of insurance is becoming more complicated and the agents' business expenses are increasing.

\$250,000 Agent's Net Is Off

The \$250,000 producer is the backbone of the industry, but with lower average premiums and higher average expenses the net income of such an agent has dropped in 1949 as compared with 1944. As living costs rose during the same period any deviation of section 213 must make appropriate provision for this class of agent.

Edward M. McConney, president of Bankers Life of Iowa and of the society, asked for simplification of section 213 and remarked that with the tendency to

diversified compensation plans it will be difficult to make a simple law to cover all of them.

"In studying statistics on agents' income, we must remember that it is difficult to secure information on income from surplus lines," he said. "Averages may be very misleading and should be handled with care. Care must also be given to limitation of expenses other than agents' compensation. Some method of uniform control is desirable.

"We badly need factors in section 213 upon which budgets may be based. Of controllable company expenses, 70% are field expenses. In making a change, it is desirable that the period during which the revision is taking place be as short as possible to avoid confusion; consequently it is hoped the revision of section 213 may be submitted to the legislature at an early date."

Asks Training Allowances

Charles F. B. Richardson, associate actuary Mutual Life, said that under the present section 213 it is very difficult to finance new agents since total compensation must be kept within regular agents' compensation limits.

"If we must make new agents mortgage their renewal commissions in order to pay them out during the early years, it is bound to cause difficulty in maintaining agents' persistency at the time the financing period ends," he said. "A revision of section 213 should allow training allowances in such a manner as not to hinder a company doing a good job in training."

A second desirable provision of a revised section 213 would be the introduction of a standard basis of valuation of different provisions for vestings, pensions, etc., he said. There should be a standard valuation basis for qualification of contracts under section 213.

Agent Licensing Question Debated by Zone 3 Group

Much interest was taken at the meeting of the zone 3 commissioners of N.A.I.C. at Miami Beach in questions relating to agent licensing legislation. Commissioner Cravey of Georgia remarked that the uniform licensing law was enacted in his state to go into effect in 1951.

There was considerable discussion of the Florida law which is well regarded. J. W. Roach of Missouri expressed particular interest in the interim license question. Mr. Larson said that Florida insists that a man with a temporary license submit to examination before that license expires. This works satisfactorily in the life insurance field but he said that this temporary licensing has not been satisfactory in fire and casualty.

Meyers Makes Suggestion

E. A. Meyers of the Chicago law firm of Ekern, Meyers & Matthias said that the purpose of the qualification and examination laws is to raise the standard of the agent. "I can't take it all except with my tongue in my cheek," he said. The laws were designed mainly for the benefit of the public but many of the agents think that the main purpose of such laws is to create a closed shop. It is necessary for an agent to be licensed so that the state can control him and so that the question of his agency for his company can be established.

A better plan, Mr. Meyers argued, is to have a cursory examination at the outset. The novice should know something about the insurance laws but he should not be subjected to a searching examination. To put him to such a test would be comparable to giving an

extensive examination in medicine to men desiring to enter into the study of medicine. It is quite a burden for a newcomer to prepare for an advanced type of examination and it is particularly burdensome in rural communities where he insisted it is essential to have part-time agents. In Pennsylvania, for instance, thousands of dollars have to be spent in training men for the examinations. In the "sticks" this is hard to handle and particularly expensive. He suggested that in the smaller communities there could be a temporary license for a new man who would work under the supervision of a licensed agent. He could learn by practice and then in six months he could be subjected to a real examination. This would give the insurer more control over the new man. He asked why a lot of men should be examined rather thoroughly when a great many of them will drop by the wayside because they are not salesmen. There is no better way to learn than by practice and theory at the same time. He said his companies, which are the State Farm Group, have no more luck with agents that are examined than those that are not. He said little in the way of fraud needs to be feared during the temporary period because an agent can't sell anything except what has been approved by the state. Mr. Meyers commended the life people for their courses of training and said that the fire and casualty companies should follow suit.

Mr. Larson pointed out that in Florida there is provision for a solicitor to serve six months. Mr. Meyers said he liked that idea.

Davis Milwaukee Speaker

Deane C. Davis, vice-president and general counsel of National Life of Vermont spoke on life insurance and business purchase agreements at luncheon-meeting of Milwaukee C.L.U. chapter.

A. & H. Bureau Holds Seminar on Disability Laws

NEW YORK—The educational seminar of the Bureau of A. & H. Underwriters here emphasized the New York disability benefits law and the problems of private insurers in writing coverage under the other laws now in effect. About 160 delegates from 54 companies attended. P. J. Burns, Eagle-Globe-Royal, was general chairman.

Francis T. Curran, Commercial Casualty, discussed the statutory disability laws in Rhode Island, California, and New Jersey. He predicted that the recent amendment to the California act granting hospital benefits of \$8 a day for 12 days of hospital confinement will be duplicated by some form of increased benefit in New Jersey, perhaps in the form of increased weekly indemnity, and that the same thing might happen in New York not long after the law there comes into effect.

Complex for Underwriters

Complexities of the underwriter are increasing as each new law is passed, William F. Brownlee, Connecticut General Life, said. An employer with employees nationally distributed can no longer insure all of them under a single group A. & H. policy with a single standard benefit with eligibility conditions being established to best suit his needs. He finds that he now has four group A. & H. policies with a good chance that his employees in Rhode Island are not insured under any of them. Amendments to laws continually change plans that already have been written, he said.

The background of social insurance was developed by Louis A. Orsini, Bureau of A. & H. Underwriters.

An analysis of the law was presented by E. H. Marshall, Indemnity of North America. The state workmen's compensation fund has more than 60,000 policyholders and an annual premium volume exceeding \$50 million, he said. It writes better than 25% of all the workmen's compensation business in the state. It has about 1,500 employees including about 24 salaried solicitors who call upon or otherwise contact all employers in the state. He expects claim problems to develop under the section of the law which allows benefits for disability that occurs after an employee has returned to work two weeks after childbirth. The fact that the New York law has been based on new taxation indicates that the statutory disability benefits movement is strong enough to spread to states where new taxes are required, he said. Many have thought that their greatest strength was in those states that had built up a substantial balance of employee contributions in the federal unemployment compensation insurance reserve fund.

Speakers included Henry S. Beers, vice-president Aetna Life; Alfred J. Bohlinger, New York deputy superintendent; George E. Light, Travelers; S. Daniel Juliani, Aetna Life; Maurice L. Furnivall, Travelers; Willett K. Boger, Hartford A. & I., and Harry W. Williams, Hartford A. & I. Question and answer sessions followed each talk.

New Term Plans

Government Personnel Mutual Life of San Antonio has introduced five and 10-year renewable and convertible term plans, issued in minimum amounts of \$5,000. The five-year plan is convertible without evidence of insurability at any time and is renewable for a second five-year period; the 10-year plan is convertible within eight years and is renewable for a second five-year period.

Commissioners' Powers Vis-a-Vis FTC Examined

Henry Moser of Chicago, general counsel of Allstate and a prominent factor in all-industry deliberations, was invited to give a talk at the Zone 3 N.A.I.C. meeting at Miami Beach on federal trade commission and mail order insurance problems. He said that the subject at present is tenuous because of the pendency of the Travelers Health case from Virginia. Just a few days before Mr. Moser spoke, the U. S. Supreme Court had set this case for re-argument April 17. It involves many questions of fundamental importance.

If the Virginia statute regulating non-admitted insurers is upheld by the U. S. Supreme Court, Mr. Moser said then there must be a review of the statute that was once suggested for getting jurisdiction over unlicensed companies through their advertising operations, the same as such jurisdiction is gotten under the N.A.I.C. bill through their claim operations.

Praises N.A.I.C. Stand

Mr. Moser said that the insurance commissioners through their liaison committee headed by Larson of Florida, performed a great service by taking the forthright, deliberate decision that they did take before FTC in opposing FTC's

rule in the auto finance business that would have given FTC direct supervision over insurance companies. This statement, Mr. Moser said, should go a long way to keep FTC out of where it should not tread.

As to the mail order rules of FTC, he said the insurance commissioners hold the answer. They can make the effect of such rules whatever they want them to be.

If N.A.I.C. and the all-industry committee are correct in their belief that FTC is ousted of jurisdiction by state laws that are counterparts of federal legislation and since the FTC rules deal mainly with advertising there are three types of state statutes that may bar FTC. These are laws dealing with false and misleading advertising, misrepresentation of policy terms and unfair

trade practices act. He emphasized the importance of providing that the domiciliary state of an insurer should have authority to reach the home company in its advertising anywhere that it operates. He emphasized the importance of closing any gap or crevice that constitutes a twilight zone.

Question Is Raised

The question arises as to the position of a state that has all of the three recommended statutes but is unable to reach an unlicensed company because the domiciliary state of the latter does not have the type of law under which the domiciliary state can regulate its own companies' advertising anywhere in the country. This is a twilight zone and it was here that Mr. Moser suggested that the upholding of the Virginia statute might provide the answer.

Lack of fair trade practices acts is an invitation to dual supervision. If the commissioners would obviate dual supervision they should get behind such legislation. It would be absolute assurance that FTC rules would not be operative if all states enact fair trade practices laws and if the domiciliary commissioner is given full power over home state companies.

Mr. Moser referred to the Kline re- (CONTINUED ON PAGE 24)

ATOMIC AGE...

Small though the atom,
it recently posed this
underwriting problem:

APPLICANT:	Mechanical engineer, cyclotron lab.
REACTION:	"We're considering the unknown."
ACTION:	More information secured from competent authorities and scientists in atomic research field.
DECISION:	Accepted as applied for.

● CAC strives always to
match changing days
with progressive ways.

Continental Assurance Company
Chicago 4

ORDINARY
GROUP
GROUP PERMANENT

Associates:
Continental Assurance Company
Transportation Insurance Company

Anti-Doughton Bill Testimony Left Strong Impression

WASHINGTON—At the conclusion of hearings on life company taxation legislation, there were indications that members of the Senate finance committee were strongly impressed with the testimony of certain insurance people against making such taxation retroactive both on constitutional grounds and ethical grounds. Committee sentiment seemed favorably inclined toward enacting permanent legislation rather than the stop-gap measure proposed by the Doughton bill.

However, if the time element makes this impracticable before the next Con-

gress, then committeemen like Senator Millikin, ranking Republican member, indicated a disposition to limit stop-gap legislation to something shorter than the three-year period.

There is also committee opposition to the average valuation base set up in the Doughton bill.

Frerichs Heads L.I.A.M.A. Small Companies Committee

E. A. Frerichs, agency vice-president Security Mutual of Nebraska, was elected chairman of L.I.A.M.A.'s small companies committee at the closing session of its spring conference at Chicago.

New committee members are Spencer R. Keare, executive vice-president and superintendent of agents of Federal Life; Russell S. Moore, manager of agencies Midland Mutual Life; Edwin A. Phillips, superintendent of agencies Standard of Oregon, and Travis T. Wallace, president Great American Reserve.

WISHFUL RECRUITERS SCORED

Wallace Charges Managers with Bets on Long Shots at Favorite Odds

S. Rains Wallace, Jr., director of research of Life Insurance Agency Management Assn., is a man whose business it is to develop tests of the predictable. If his prediction was accurate that many of those who heard him at the conference sponsored by the life agency managers of Chicago maintained a tongue in cheek attitude about the L.A.M.A. agent aptitude tests, he must have really struck home. Mr. Wallace maintains a scientific attitude which does not permit compromising truth to be pleasant.

He charged that many of his hearers were being unrealistic about recruiting to the extent that one in five L.I.A.M.A. aptitude tests scored by managers are added incorrectly in favor of recruits. He said that far too many managers are indulging in wishful thinking where the aptitude tests show the man has almost no chance of success.

Mr. Wallace declared that L.I.A.M.A. has devised a method whereby those agents can be weeded out who are known to have a very small chance of success. The general agent or manager who will take a chance on them is playing a long shot, yet unlike horse racing, if he wins on this long-shot chance, he does not get any more than if he had played a man who has been demonstrated to be a favorite by the aptitude test.

It is the general agent and manager who should do the soul searching on his recruiting practices, because he is the man who takes a financial beating and also takes the beating in the matter of conscience by hiring and perhaps stringing along a man who has no business in life insurance in the first place.

Best Tests in Sales Field

Mr. Wallace said that general agents and managers should avail themselves of the tests which are now provided by L.I.A.M.A. which are the most complete and most valid tests to be found in any selling field. He warned, however, that the L.I.A.M.A. tests are based on the concept of rejection. A good score is merely the signal for the general agent to try to figure what else might be wrong about a job applicant. "The happy discovery is when an 'A' man is discovered to have some other qualities that would block him from success before he is signed on," he commented.

Mr. Wallace demolished the popular belief that producers grow on the job. He said that statistics kept by the L.I.A.M.A. have shown that the average producer does not produce as much business in his third year as he did in his first year in the business. The average agent goes along pretty much as he started as far as production is concerned. If he is not producing satisfactorily by three or by six months, he should be cut off for his own good and for the good of the business. "This is not brutality, for it saves wasting any more of the precious years of the man's life in a field in which he is foredoomed to failure," he declared.

Clifford B. Reeves, 2nd vice-president of Mutual Life, advised the individual manager to apply public relations techniques to check on the operations of his own agency. He said that a few disgruntled employees of an agency can wreck its standing in the community. The employees and agents can be asked for accurate opinions by questionnaires, preferably anonymous. Such questionnaires can develop inadequacies in service to policyholders.

Mr. Reeves maintained that complaint letters should be tabulated and an accurate cross-section of public attitude in the community should be a goal toward which the individual manager strives.

Mr. Reeves, who is a veteran public relations and advertising man, advised

managers to get to know newspaper men in their community because such men know the public and influence people.

Are Policyholders Annoyed?

The manager should check his phone service, counter service and the condition of his files. He should streamline letters so that there is no inexcusable insurance terminology being employed by his people to confuse and annoy policyholders.

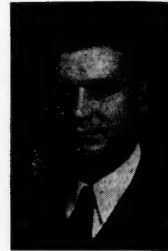
Policyholders should never feel neglected and a number of service calls should be arranged for them in which sales are not mentioned.

The individual manager should strive to keep himself in the newspapers and before the public as a speaker and should have his agency well known through advertisements in the papers, through radio programs, etc.

Individual agents should be briefed



S. R. Wallace, Jr.



C. B. Reeves

by their managers to make sure that they are in the know on financial and social questions and can provide the kind of advice that present-day life policyholders seek of their financial advisers, the life insurance agents.

Mr. Reeves commented that the American system has produced much goods at low cost but has neglected human relationships. Business generally has failed to sell itself as a way of life and unless a better job is done in this direction, the free enterprise system may not survive.

Joseph P. Kenealy, territorial field supervisor for Metropolitan, told the managers that a big company such as Metropolitan is provided a magnificent opportunity to get better men by the necessity of constant recruiting. He commented that the company in 1949 had 17,551 agents and lost 1,183. Each year the company recruits about 2,000 new men and in nine years this amounts to about as many men as they had all told in 1949. The business can't get away from the necessity of recruiting and this necessity provides the opportunity to refine recruiting methods and to get better men.

Mr. Kenealy commented that Metropolitan has 150 men in the field as trainers of agents. Metropolitan agents turn a large reservoir of agency prospects over to the managers.

U. S. Life Covers 14,000 New York Milk Drivers

United States Life will write group life, sickness and hospitalization on 14,000 milk truck drivers employed by 210 milk distributing companies in the New York metropolitan area. Provisions of a pension program to be worked out between the companies and the A. F. L. teamsters.

Martin E. Segal, insurance and pension consultant, who will serve as chairman of the plan, said each worker will receive a \$2,500 group life, weekly sickness benefit of \$40 for a maximum of 26 weeks and Blue Cross family hospitalization. Employers are paying for the plan at the rate of 10 cents an hour for each worker, with six cents for pensions and four cents for group benefits.

Business is Booming

The big stride made by Federal Life and Casualty producers in 1949 is continuing apace. The first quarter of 1950 shows production gains averaging 52 per cent better than the first quarter of 1949 . . . and 1949 was Federal's biggest year. Why such progress? Because Federal is on the march with:

- ★ Streamlined policies, with combinations of Life, Accident, Health and Hospital Insurance, easily tailored to fit the individual or family need and budget
- ★ Personal Home Office cooperation in developing territories
- ★ Fast claim service . . . a service that makes every claimant a powerful center of influence
- ★ Visual sales aids that help to dramatize benefits
- ★ Liberal commissions PLUS vested A & H as well as Life renewals
- ★ Prospecting plans, including effective inquiry-getters

Work with a Winner

If you are considering expansion of your service . . . if you are looking for increased income . . . why not investigate the many opportunities now open with a Company that knows what the public needs and wants . . . what agents need and want?

FEDERAL LIFE AND CASUALTY CO.

Detroit 2, Michigan

SUN LIFE of CANADA

BRANCH OFFICE AND AGENCY SERVICE
THROUGHOUT THE NORTH AMERICAN CONTINENT

Cred
Disa
Gets

Kirk
Zone
on D

The zon
at Miami
their mee
life and d
witness v
head of A
Miami, al
ciates ope
Underwri
writers an
Among o
resents U
land, Me.
lines.

Mr. Lar
tics in t
correction
and serve
stance, it
oldsters,
wise not b
a stabiliz
do not ha
companies
loans are
lenders fo
of insura
they cou
non-regul
borrower,
and the in
straight l

Level Life

The lev
popularity
gives the
event of
ing the l

There a
of repres
Florida la
surance so
out exam
dealing o
mate age
to unres
sentatives
Connectic
surance i
replied th
ing line.

Superin
inquired
the risk.
replied, t
niture 15
months, s

In ans
said that
premium
policy for
is \$1 and
is 50 cen

Complain

Commis
said ther
the lend
charges.

Mr. Lar
probably
credit life
ference an

Commis
asked wh
pays off
don said
surance

pro rata
level cont
and the l

Mr. L.
buy a gro
it on the
turn arou
1%. Tha
It become

Credit Life and Disability Line Gets Attention

Kirk A. Landon Briefs Zone 3 Commissioners on Developments

The zone 3 commissioners of N.A.I.C. at Miami Beach devoted a period at their meeting to consideration of credit life and disability insurance. The main witness was Kirk A. Landon, who is head of American Bankers Ins. Co. of Miami, also Kirk A. Landon & Associates operating Retrospective Insurance Underwriters, Credit Insurance Underwriters and National Insurance Agency. Among other things, Mr. Landon represents Union Mutual Life of Portland, Me. for credit life and disability lines.

Mr. Landon said there are some practices in the credit life field that need correction. The business is growing and serves a good purpose. For instance, it enables certain people, mainly oldsters, to get credit who would otherwise not be able to borrow. It has been a stabilizing influence in states that do not have laws regulating small loan companies. In such states "hip pocket" loans are made. However, responsible lenders found that by joining the sale of insurance with granting of loans, they could operate successfully. In non-regulated states, the rate to the borrower, taking into account the loan and the insurance, is no greater than the straight loan rate in regulated states.

Level Life Popular

The level life policy has gained in popularity in this connection. This gives the borrower's estate a return in event of his death, as well as protecting the lender.

There arises the question of licensing of representatives. He commended the Florida law under which credit life insurance solicitors may be licensed without examination but are limited to dealing only in the credit line. Legitimate agents, he said, properly object to unrestricted licensing of such representatives. Commissioner Allvin of Connecticut asked whether disability insurance is involved and Mr. Landon replied that it is, and that it is a growing line.

Superintendent Gwaltney of Alabama inquired as to the average length of the risk. In automobile, Mr. Landon replied, the average is 18 months, furniture 15 months, appliances 8 to 10 months, small loans, 3 to 4 months.

In answer to another question, he said that for the level life contract, the premium is 2% of the amount of the policy for one year. Minimum premium is \$1 and on reducing life policies, it is 50 cents.

Complaints in Mississippi

Commissioner White of Mississippi said there have been complaints that the lenders have been packing the charges.

Mr. Landon said that such complaints probably are justified. He said the credit life people have an unofficial conference and assist in eradicating abuses.

Commissioner Allen of Tennessee asked what happens if the borrower pays off his loan in advance. Mr. Landon said that under a reducing life insurance contract he should receive a pro rata refund of the premium, but a level contract goes to normal expiration and the borrower has the coverage.

Mr. Landon said that many banks buy a group form of policy and pay for it on the wholesale basis. Then they turn around and charge the borrower 1%. That he contended is not proper. It becomes an outright sale of insurance

and the borrower should pay no more than the cost of the insurance to the lender.

There is a question as to who receives the commission. The reply was that it is usually someone connected with the finance factor. If it is not permitted for the factor to be licensed, usually some relative receives the commission. He insisted that a general insurance agent is not interested because the premium is so small.

Commissioner Martin of Louisiana said he has taken the position that at least one person in the finance organization should be licensed as a life insurance agent and others who take a hand in the transaction other than in a merely clerical capacity, should be licensed as solicitors for that agent.

Mr. Landon said that is the best procedure. Mr. Landon declared that the providing of credit life insurance should not result in the licensing of thousands of agents on a full-time basis who might later enter the regular field.

There is a question about how the plan works in larger cities in view of the federal law preventing national banks in places of 5,000 or more to engage in the insurance business. Mr. Landon replied that federal authorities do not press the point if the income from the insurance operations does not flow to the bank.

Mr. Larson said that the Florida licensing law has worked well in this connection. Ed Faircloth, Florida deputy, asked how the plan works with credit unions. Mr. Landon replied that the credit unions are much interested. Their income is limited because of low interest rates and it is hard for them to keep from operating at a loss. By providing credit life and disability insurance, credit unions can increase their income. Also this often eliminates the need of a co-signer.

Honor Hammond's 25 Years as Los Angeles G.A.

LOS ANGELES—Wilmer M. Hammond, general agent of Aetna Life, was the honor guest at a testimonial luncheon given by his associates in the agency in celebration of his 25th anniversary as head of the Los Angeles agency. During this period his agency has been awarded the President's Trophy five times.

Mr. Hammond came to Los Angeles in 1925 as successor to the late Jerry Mumma, and has developed more than \$800 million of new business during his administration. He has trained 15 associates in his agency for positions with other companies.

He has been prominent in community

activities and church work and has served as president of Life Insurance Managers Assn. and Life Underwriters Assn. of Los Angeles.

Among the out of town guests were Paul R. Green, Aetna general agent, Seattle; Dr. J. W. Wear, Aetna medical referee for the west coast; General Agents Ed Kenney, Oakland; J. E. Berg, San Diego, and Rupert McCook, Long Beach.

Mutual Life Is Set for Dedication Ceremonies

More than 250 persons are expected to attend the dedication the afternoon of April 12 of the new 25-story home office of Mutual Life at Broadway and 55th street, New York.

In a dedication stone in the main lobby will be sealed documents relating to the company and to current events, and statements from leaders about what the next half century can mean to mankind.

John W. Davis, a trustee of Mutual Life and New York lawyer, will preside.

Mutual Life will begin operating in the new building May 1, using the first 13 floors, or about two-thirds of the building, at the outset. The upper floors are being rented.

Broad Insurance Coverage

Nonparticipating Insurance

Participating Insurance

Juvenile Insurance

Special Low Cost Plans

Flexible Family Income Plans

Retirement Plans

Mortgage Redemption

Sub-Standard Service

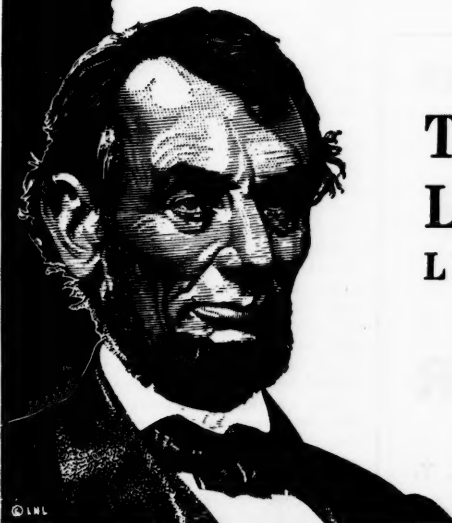
Wide Age Range

Salary Savings Systems

Supplemental Term Riders

A full line of Group Coverage

LNL Is Geared To Help Its Field Men



The
LINCOLN NATIONAL
LIFE INSURANCE COMPANY

Fort Wayne 1, Indiana

Its name indicates its character

Keys to Oppose Dickey

Mott M. Keys, who has had 25 years experience in insurance, has filed as candidate on the Democratic ticket for insurance commissioner in the coming primary. He was for eight years manager of the rating department and actuary of the state insurance board,

commissioner of the state compensation fund and later secretary-treasurer of the Oklahoma Assn. of Insurance Agents. Commissioner Dickey has already announced his candidacy for reelection.

Foster A. Vineyard, general agent for Aetna Life at Little Rock, addressed the Nashville managers at a dinner.

Benson, Zimmerman Spark Chicago Sales Congress

At the sales congress of the Chicago Assn. of Life Underwriters, Judd C. Benson, Union Central, Cincinnati, president of N.A.L.U. swiveled the guns of the association against what he termed a source of insidious opposition to free enterprise that has developed among the faculties of the colleges and universities.

The immediate stimulus for Mr. Benson's fusillade was the testimony before the Senate finance committee of Douglas Brown, a Princeton professor and member of the social security advisory council in advocacy of total and permanent disability coverage under HR-6000. Mr. Brown had charged that the insurance carriers were the "hard core" of opposition to federal permanent and total disability and had assumed the role of "impartial" advisers to government to save the government from the "foolish mistakes" the carriers made in this area of insurance. The professor had said, "It is high time that the positive needs of the workers, employers and public of this country be placed above the negative convenience of the small but clever interest group."

Mr. Benson flung back the answer of N.A.L.U. saying that, "The luxurious growth of ivy on college campuses may blind the public to the malignant ideology which has grown up there in an unholy alliance which seeks to ensnare all citizens in the snares of a welfare state."

At least the opposition of labor is open and statesmanlike, he said. In contrast he characterized the opposition of such people as Mr. Brown as stealthily undermining and inaccurate.

The sessions of the congress were jammed as usual with agents who heard Mr. Benson further reiterate that N.A.L.U. and the agents have a responsibility to disseminate correct information about pensions in order to halt inroads by "cheaper" means of funding pensions at great danger to the American public.

Success Upsets Administration

He charged that the administration is upset by the fact that the life insurance industry has so well succeeded in fostering personal thrift. Such thrift and a benevolent government do not go together. He cautioned that when he said "administration" he was not referring to Congress where, he said, the life insurance industry has many friends in both parties.

Total and permanent disability would go to only a minute percentage of citizens and is merely a step to socialized medicine and insurance, Mr. Benson declared.

Charles J. Zimmerman, associate managing director of Life Insurance Management Assn. and a past president of the association which he was addressing, interpreted L.I.A.M.A. figures to show that life agents are not reaching the middle income market of men who earn between \$2,000-\$7,000 a year as well as they were reaching this market in 1946. Whereas the volume of life insurance sales has continued about the same in the past three years, there has been a 16% decline in number of applications sent in since 1946. L.I.A.M.A. studies have shown that the industrial agent is doing a fine job in the low income group and that a magnificent job has been done on men with substantial incomes, but the great middle market is unorganized, partly because it hasn't gained the benefits from postwar inflation that other groups have gained.

He cautioned against another trend, the 50% increase in the writing of term insurance since 1946. Does the public want it or is it just that the public will take what the agent advises taking, he asked. It is a shame to be selling term insurance in an era when insurance

is more valuable as an investment than ever before.

The other speakers were Cornelius Scheid, New York Life, Cleveland; Harry K. Gutmann, Mutual Life, New York City; David B. Fluegelman, Northwestern Mutual, New York City, and John A. Calfa, Prudential, Chicago. Digests of their talks will appear in the "Sales Ideas" section of THE NATIONAL UNDERWRITER.

Prudential to Write Big Trade Assn. Case

Prudential is underwriting a group life, accident and sickness plan which National Retail Furniture Assn. will make available July 1 to proprietors, officers and employees of its 8,500 member stores. Potentially the trade association case is the largest of its type and, with the exception of American Institute of Accountants, a professional group that has national coverage, it is the only nationally written group plan on a trade organization.

The furniture association's move, according to Harold M. Stewart, executive vice-president of Prudential, indicates the steady growth of trade association groups. State and local trade associations of automobile, lumber and concrete dealers and trucking organization have been most prominent in getting group insurance for their members, he said. Association business is now one of the most active in the group field, according to Mr. Stewart.

The plan establishes several levels of benefits. Individuals earning more than \$4,000 a year will receive \$4,000 life insurance and a similar amount for accidental death and dismemberment. Sick benefits are \$42 a week. The death benefit for employees earning more than \$35 a week is \$1,500. The sick benefit is \$21 a week. A \$1,000 benefit at death goes to employees earning less than \$35 a week. Their sick benefit is \$14 a week.

Participation in the plan by individual stores is voluntary. The plan may be contributory or not depending on the wishes of the individual store but it is non-contributory for those stores which elect to take only the accidental death and dismemberment benefits.

Judge's Attack on General Amer. Ordered Expunged


JEFFERSON CITY—The Missouri supreme court has ordered expunged from the court records of the circuit court of St. Louis the remarks critical of the company made by Judge Russell when he declared a mistrial in the case involving the final accounting in the old Missouri State Life reinsurance and management contract by General American Life. In declaring the mistrial, he relinquished all jurisdiction in the case, and turned it over to Circuit Judge Ruddy.

The supreme court dismissed General American's petition to have Judge Russell prohibited from continuing to preside in the case, inasmuch as he had relinquished jurisdiction.

L.I.A.M.A. Sponsors First Agency Secretaries' Seminar

More than 50 top administrative assistants to agency vice-presidents attended the first agency secretaries' seminar at Life Insurance Agency Management Assn.

Speakers included William R. Davis, III, director of agencies ordinary department of Commonwealth; Harry E. Atwood, agency secretary Northwestern National; C. Russell Noyes, advertising manager Phoenix Mutual; and Emery K. Peterson, agency secretary Bankers of Nebraska.



Briefly, there are three sides to the Triangle Pattern of Selling. The Need, the Personal Problem and the Solution. The Berkshire Life Triangle Pattern of Selling thoroughly develops this intelligent, effective approach—from the customer's point of view—to make Berkshire Life insurance easy-to-buy... easier to sell. Our alert salesmen underwrite and sell Berkshire Life insurance with confidence because the Triangle Pattern of Selling equips them to develop good prospects to successful, profitable dealings. The Triangle Pattern of Selling works for the agent as well as the prospect. *

BERKSHIRE

LIFE INSURANCE COMPANY

Harison J. Amber, Pres.

Prudential, American, Aetna, General, Incorporated 1951

ULICO INSURANCE IN FORCE GOES OVER QUARTER OF A BILLION MARK

Makes 18% Leap in One Year

The Union Labor Life Insurance Company is growing rapidly—but soundly. It's an insurance company that knows where it's going—and making thousands of friends on the way.

Progress such as this is worthy of your inquiry.



The **UNION LABOR**
Life Insurance Company

570 Lexington Avenue, New York 22, N. Y.

The I
million p
Assn. of
Chicago,
a plaque
and to
bers who
ship acti
a camp
bring m
from 150
Treadwa
chairman
figure in
a logica
would h
for the
committe
Chicago
Speake
profess
who live
a racon
is the p
salesman
map to
said tha

FO
for
LID

QU

QU

QU

QU

C
A S
M
D L
18

Illinois Round Table Launches Drive for 500 Members

ent than
Cornelius
leveland;
ife, New
egelman,
rk City,
Chicago,
r in the
ATIONAL

The Illinois Round Table, quarter million production affiliate of the Illinois Assn. of Life Underwriters, meeting at Chicago, voted to reward qualifiers with a plaque instead of the customary scroll and to offer prizes to individual members who were outstanding in membership activity. The move was part of a campaign launched at the meeting to bring membership in the organization from 150 up to the 500 mark. George C. Treadway, New York Life, Peoria, chairman of the group, feels that this figure in a state the size of Illinois is a logical one. The proposed plaque would have a bar attached by a chain for the life member. Two membership committees are being formed, one for Chicago and one for downstate.

Speaker was Frank Beach, marketing professor at the University of Illinois, who lived up to his reputation both as a raconteur and as a sales expert. It is the professor's contention that if a salesman in any field has a definite road map to follow, he can sell. Mr. Beach said that the first move of the sales-

man should be to strike a flame of interest. The salesman does this by "hohum crashing" through his own personality, and his knowledge of the prospect.

The salesman then creates a desire in the prospect by a job of education, pointing out the advantages of what he has to offer. The salesman then must prove that his offer and the company he represents provides a better deal than any other similar company. The salesman next must sell himself.

The close can be high-pressure without the prospect knowing it's so, Mr. Beach contends. Here the salesman invariably must introduce an emotional appeal. The only way the salesman can overcome the native procrastination of the prospect is to back up his earlier intellectual and practical appeal with an appeal aimed at the heart, especially easy to do with life insurance, he declared.

Rhomberg Heads Ia. Quarter Million Round Table

DES MOINES—Joe A. Rhomberg, district agent at Dubuque for Northwestern Mutual, was elected chairman of the Iowa Quarter-Million Dollar Round Table at the annual meeting here.

Edwin Brock, Penn Mutual, Des Moines, and Warren F. Roudebush, Northwestern Mutual, Waterloo, are vice-chairmen; Tom Carnahan, Minnesota Mutual, Des Moines, qualification chairman and treasurer, and Fred Wodrich, Central Life, Ames, secretary.

More than 60 members attended, with eight life memberships awarded.

Norton J. Greenstone, Aetna Life, Sioux City, spoke on "Prospecting and Organization Methods"; Edwin Brock, Penn Mutual, Des Moines, on "Horizons Unlimited." Roy L. Bailey, Bankers Life of Iowa, Mason City, was moderator of the idea session at the morning meeting.

Jack Miller, Sioux City attorney, spoke on advanced underwriting and William Minehan, assistant secretary of Northwestern Mutual, discussed estate analysis at the afternoon session.

Home Life Assigns Four To Group Posts in East

Home Life has named William A. Tromley, Jr., regional group manager in New York City. James P. Hart, Arthur H. Kendrick, and George B. Robbins are now district group managers. Mr. Hart and Mr. Kendrick will work out of New York; Mr. Robbins will have his headquarters in Buffalo.

Mr. Tromley has been an eastern regional manager.

Mr. Hart has been an underwriter in the group business 12 years in a home office and for five years assistant division group manager in Philadelphia. Mr. Kendrick entered the group A. & H. field on his return from the army. His experience was with two brokerage offices in Schenectady and New York City.

Mr. Robbins was in the air corps and a member of the military government of Berlin. He became group supervisor for the Philadelphia office of a company.

Union Labor Life Expands To Service Midwest Groups

The Pipe Fitters Welfare Fund of Chicago has arranged a welfare program covering 8,000 employees through Union Labor Life. The plan provides life, accidental death and dismemberment, hospital and surgical expense benefits. It may be expanded to include hospital and surgical benefits for the dependents and weekly disability benefits for the employees.

The first year premium deposit will be a quarter of a million dollars, and when benefits are extended, the estimated premium deposit is expected to double.

To service this and its other cases at Chicago Union Labor Life is opening a claims and service office there.

GUARDIAN'S PR-70

is a

Preferred Risk Policy

that offers a TOP VALUE
in insurance protection!

Age 35 — \$10,000

Annual Premium for 20 years	\$275 x20	
		\$5,500.
Less annual dividends for 20 years, based on current scale		1,191.
20 Year Net Cost		4,309.
Less 20th year cash value		4,130.
20 Year Net Ledger Cost		\$179.

That's an average of

90 cents a year per \$1,000

—and that's only one

of its many attractions!

Minimum Amount issued—
\$10,000

General insurance brokers are invited to
call or write the nearest Guardian office
for the complete, interesting story.

The
GUARDIAN
LIFE INSURANCE COMPANY
OF AMERICA

50 Union Square

New York 3, N. Y.

FOUR ANSWERS for the AMBITIOUS LIFE UNDERWRITER

QUALITY COMPANY . . .

top rated mutual . . . over half
century service . . . over three
hundred millions insurance . . .
over one hundred million of
of assets . . . over eight million
in surplus . . . one of the very
lowest net cost positions . . . full
level premium reserve basis . . .
modern . . . zero to age 65 . . .
streamlined policies . . . sub
standard facilities . . . direct
home office collection of premiums.

QUALITY COMPENSATION

very unusual, and well vested
General Agents contract . . .
generous and attractive for the
career life underwriter . . . with
extra automatic financing commissions . . . pays well for quality men and General Agents . . . a fine pension plan.

QUALITY TRAINING . . .

two week home office schools,
refresher schools, for career
men . . . constant group training
for both young and veteran
General Agents . . . in selection
... recruiting . . . training
and supervision techniques.

QUALITY TERRITORY . . .

often possible for the ambitious
life underwriter who wants to
build two or three quality men,
or more, right in his own territory.

CENTRAL LIFE
ASSURANCE SOCIETY
MUTUAL
DES MOINES IOWA

1896 1950

One of the best

EDITORIAL COMMENT

Life Insurance Is an Institution

Within the last few months THE NATIONAL UNDERWRITER has run a brace of editorials with the theme that it is ill advised to apply the term "industry" to the insurance business. These editorials have elicited several comments from life insurance men, one of the most succinct of these pointing out that insurance ought to be referred to as an institution.

This observer comments that life insurance is three things. It is a business, necessarily. When it meets high standards it is a profession. Its highest standing is as an institution.

The observer comments that the ordinary standards of business are not

enough for the management of such a sensitive institution as insurance which is endowed with public interest to the greatest degree possible. The greatest insurance men, be they executives or producers, have been dedicated men, they have been men with a high sense of trusteeship. Such men have sublimated their private attitudes and viewed all matters in the light of what is best for life insurance as a whole and for all of the factors in it.

Life insurance is a business, yes, it is a profession also, yet we must agree with this observer that in the most all inclusive sense it is most aptly characterized as an institution.

Carry the Life Insurance Gospel to All

If Life Insurance Week is restored, in line with the ideas of the National Assn. of Life Underwriters committee on public information, here's a feature that might well be added: Why not include plans to make sure that every potential life insurance buyer is called on by an agent at least every year or so?

Let's start off by freely admitting the difficulties of such a project. It would take time and money. It would require a lot of work to make sure that all persons not being regularly serviced by agents were called on and were divided among companies and agents on some equitable basis. It would call for co-operation among competitors. It would require the highest degree of good faith among them.

It might be found impracticable to have every prospect called on as often as once a year. For some it might be necessary to rely on a direct-mail offer of the agent's service in those years when no call was being made cold-canvas.

But in spite of the complexities inherent in this proposal, it could have some important benefits and forestall some dangers that may be more imminent than is generally believed.

First of all, a substantial amount of business would result. Prospecting at best is a hit-and-miss procedure today. Many excellent prospects are called on by a plethora of agents just because they fall into the usual good-prospect classes—just got a wife, baby, raise, house, inheritance, or radio quiz prize.

But many other good prospects—and a lot of poor ones, too, of course—don't get called on because they didn't happen, for one reason or other, to get on any agents' prospect list.

If an inter-company project were to see that every prospect is called on, these people would doubtless account for a great deal of additional business.

But even aside from this extra business, there would be an even more important effect from an institutional viewpoint. This is that the life insurance business could say that it is really carrying its wares to the public, not just to the segment that its agents think is worth cultivating or not too difficult to get at.

The life insurance business has long said, in well justified support of the agency system, that people won't buy life insurance; it has to be sold to them.

Critics of life insurance, more interested in tearing down the agency system than in making it more effective, have complained that agents have been too aggressive, too "high-pressure."

But one of these days some critic, fully aware of the need of carrying the life insurance gospel to the public, is going to ask, "If life insurance is so good, and has to be sold by the agent to the public, why aren't you doing it systematically, instead of just relying on the agents to sell whomever they happen to dig up?"

In recent months prominent life insurance speakers have viewed with some misgiving the tendency to upgrade the prospecting process with resultant neglect of the little prospect even more than in the past.

One of the justifications for savings bank life insurance cited by its backers is that many S.B.L.I. buyers get little or no attention from life agents. Surveys made by the S.B.L.I. systems in New York and Massachusetts indicated that about 40% of the buyers hadn't

been called on by an agent in the previous year. About 20% of all the applicants said no agent had ever called on them.

In a disturbingly large percentage of death claims group insurance is the only insurance paid. Some of these decedents may have resisted vigorous and resourceful efforts to get them to provide protection by their own voluntary actions. Yet it seems likely that a substantial percentage failed to take such

action because no agent had made a real effort to sell them.

Undoubtedly an inter-company project to see that every potential buyer of life insurance is called on by an agent periodically would be a tremendous undertaking. Yet it should add immeasurably to the business's prestige as a true service institution, interested in carrying its message of protection to all who need it, rather than just those who can be reached the easiest.

PERSONAL SIDE OF THE BUSINESS

Mrs. R. T. Stuart, wife of the president of Mid-Continent Life, will sail April 14 on the Queen Elizabeth for a two months trip abroad.

Arthur T. Case, manager at Cleveland for Prudential, is celebrating his 35th year with the company. He has served in managerial posts at Chillicothe, O., and Columbus, O. John R. Gilroy, manager at Johnstown, Pa., is marking his 30th year, 26 of which have been in managerial posts.

At the Conference on the Negro in Business, to be held at Washington April 13-15, under auspices of the Department of Commerce, Asa T. Spaulding, vice-president of North Carolina Mutual Life and past president of National Negro Insurance Assn. will talk on small scale retailing.

S. E. Allison, vice-president and actuary of Life of Georgia, while attending the zone 3 N.A.I.C. meeting at Miami Beach had an opportunity to visit extensively with H. C. Jackson, vice-president and superintendent of agencies of that company, who is on sick leave. Mr. Jackson is making a good recovery.

Henry S. Beers, actuary of Aetna Life, is one of three men named by Governor Bowles to review the Connecticut

unemployment compensation law, and particularly to consider a study recently completed by the state department of labor regarding exhaustion of unemployment benefits.

George F. Hickman, general agent of Pacific National Life at Salt Lake City, recently reached his 81st birthday, and was the recipient of many congratulations. He is still active in the business. He has been with Pacific National since it commenced business in 1928. Before that he was for some years with Intermountain Life, a Utah company, which was taken over about 22 years ago by California-Western States Life.

F. J. O'Brien, vice-president of Franklin Life, has been appointed to the social security committee of the Illinois state chamber of commerce.

Dr. Thomas F. Ross, medical director of Ohio State Life, accompanied by Mrs. Ross, has left for Scotland on an extended trip.

Republic National Life has honored Miss Helen Braden, who has just completed 20 years with the company as secretary to the president and 12 years as assistant secretary of the company.

Union Labor Life Has Many Gains to Report

Union Labor Life in its new statement reports assets of \$10,609,933 which was an increase of 20.9%; general contingency reserve was \$675,000, capital \$875,000 and net surplus \$825,951.

New business issued amounted to \$7,670,551 ordinary and \$30,927,908 group and insurance in force was \$248,138,137, the gain being \$37,555,442. Premiums received were \$6,218,434, a 23% increase.

Complete Southern Round Table Annual Program

Arrangements have been completed for the Southern Round Table of Life Advertisers Assn. at Houston on April 30-May 2. Speakers will include A. R. Jaqua, director of the Southern Methodist marketing institute; R. W. B. Cowan, Southwest Printing Co., Dallas; Don B. Parkinson, Southwestern Life; Martin B. Williams, executive director Life Insurers Conference.

There will be an idea forum presided over by Joe Locke, Gulf Life. A round table will be held on house organs. Morris Frank, writer for the "Houston

Chronicle" will deliver a humorous speech.

H. A. Richmond, the president of L.A.A. and several other members of the executive committee from outside the southern territory are expected to be present.

Eldridge C. Thompson of Montclair, N. J., has been appointed assistant manager of the New York and New England mortgage loan and real estate agency of Massachusetts Mutual Life.

Bloomingtonian

Thomas C. Morrill has now left the New York department, where he was deputy superintendent, to take up his new position as director of research for the State Farm companies of Bloomington, Ill. He attended the zone 3 convention of National Assn. of Insurance Commissioners at Miami Beach before leaving office.



THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd.,

EDITORIAL DEPARTMENT: Managing Editor: Robert B. Mitchell. News Editor: F. A. Post. Associate Editor: Levering Cartwright. Assistant Editors: Richard J. Thain, John C. Burridge.

OFFICERS: Howard J. Burridge, President and Secretary. St., Cincinnati 2, Ohio.

BRANCH OFFICES IN KEY CITIES

ATLANTA 3, GA.—432 Hurt Bldg. Tel. Walnut 9801. Ernest E. Hess, Southeastern Manager.
BOSTON 11, MASS.—210 Lincoln St. Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.
CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Mgr. R. J. O'Brien, Advertising Mgr. R. L. Rudd, Circulation Mgr.
CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. George C. Roeding, Asso-

ciate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.
DALLAS 1, TEXAS—802 Wilson Bldg., Tel. Prospect 7-1127. Roy H. Lang, Southwestern Manager.
DES MOINES 12, IOWA—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.
DETROIT 26, MICH.—532 Lafayette Bldg. Tel. Woodward 8-2826. A. J. Edwards, Resident Manager.

KANSAS CITY 6, MO.—605 Columbia Bank Bldg. Tel. Victor 9157. William J. Gessing, Resident Manager.
MINNEAPOLIS 2, MINN.—558 Northwestern Bank Bldg. Tel. Main 5417. R. W. Landstrom, Resident Manager.
NEW YORK 7, N. Y.—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept.—Eastern Editor: Kenneth O. Force; Assistant Editor: Donald J. Reap.

LIFE INSURANCE EDITION PUBLISHED EVERY FRIDAY CHICAGO 4, ILL. Telephone WAbash 2-2704.

Burrage, President. Louis H. Martin, Vice-John Z. Herschede, Treasurer. 420 E. Fourth
Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.
PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.
PITTSBURGH 22, PA.—503 Columbia Bldg. Tel. Court 2494. Jack Verde Stroup, Resident Manager.
SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager.

Life a cities are insurance full-time since the of gener many loc pective sign of are cauti eral insu particular financing of gener marginal out muc contacts. the brok have bee as gener cided the The at broker c quently cope. T marily in ager can sells life other co wants. seem bru life insur factor to city agi brokers' Some stress lo agencies brokers, full-time found a impress planning over com for big c

One of validity of Life Ins Assn. is t and pros test over is no way man has man has more tha tioned that mak been talk similar to reau whi ing score clude ret of devisi been too lishment, recruits naturally lem may

A two- the Penn plays or of wide hibitors i walks of awards n

OBSERVATIONS

Brokers Turning Life Men

Life agency managers in the larger cities are reporting that more general insurance brokers are seeking berths as full-time life agents than at any time since the war. The premium writings of general insurance lines are down in many localities and the business is competitive, which may account for this sign of the times. The life managers are cautious about taking on these general insurance brokers as full-timers, particularly where these men require financing. They feel that this first rash of general men includes a great many marginal insurance brokers, men without much sales ability and with few contacts. They recognize that among the brokers are some good men who have been selling a lot of life insurance as general brokers and who have decided they would rather be specialists.

The attitude of the general insurance broker entering life insurance is frequently a difficult one with which to cope. The brokers are interested primarily in "net cost." If the life manager can show them that his company sells life insurance "cheaper" than any other company, that is the company he wants. This attitude, though it may seem brutal, primitive and unjustified to life insurance men, is always a strong factor to be reckoned with in the large city agencies which specialize in brokers' business.

Some of the life companies which stress low cost have built up huge agencies of full-timers from among ex-brokers, one such agency having 60 full-time men enrolled. This agency has found a certain number of the brokers impressed with the teaching in estate planning which will give them an edge over competitors in the tough scramble for big city business.

L.I.A.M.A. Testing Barrier

One of the few remaining barriers to validity of the agents' aptitude tests of Life Insurance Agency Management Assn. is the fact that a number of agents and prospective agents have taken the test over and over again. So far there is no way of checking how many times a man has taken the test. Naturally, if a man has taken a particular aptitude test more than once his answers will be conditioned by this experience to a degree that makes the test invalid. There has been talk of establishing some agency similar to the Medical Information Bureau which would record aptitude testing scores of individuals and would preclude retesting a man. The difficulties of devising such a system have so far been too great to result in its establishment, but prospective life insurance recruits being the shoppers that they naturally are, some answer to this problem may soon be vital.

Penn Mutual Hobbyists

A two-day hobby show sponsored by the Penn Mutual Assn., home office employees organization, featured 2,462 items of wide variety prepared by 150 exhibitors including representatives of all walks of company life. There were 113 awards made, including 32 blue ribbons.

Among the winners were Lincoln Jungclauss, carpenter; Virginia Hunter of the law department; John Engel of the paint shop; Wallace Boileau, Jr., 2nd vice-president; Willis H. Satterthwaite, counsel, and Floyd T. Starr, 2nd vice-president.

DEATHS

W. E. A. BULKELEY, 82, retired executive of Aetna Life, died at Hartford after a long illness. He joined Aetna Life in 1890, following the family tradition. His father had been an auditor for many years. His grandfather, Eliphalet A. Bulkeley, was the founder of the company.

Mr. Bulkeley first worked in the bond and mortgage department. Transferred to the cashier's division, he was soon made cashier. In 1903 he was elected auditor of Aetna Life and later of Aetna Casualty, Automobile and Standard Fire in 1929. He became vice-president of Aetna Life in 1923. He was a trustee of Trinity College, of which he was an alumnus.

JOHN J. MOONEY, 82, who served as president of the old Michigan Mutual Life, died at Detroit. He started with that company in 1885 in his father's agency in Ohio, and worked in that state for many years, becoming state agent in 1900. He went to the home office in 1917 as third vice-president and superintendent of agents and became president in 1920. Michigan Mutual was merged in 1927 with National Life, U.S.A., of Chicago.

E. WOODFORD TUCKER, 50, for 15 years a supervisor for Shepard & Co., Hartford general agents of Aetna Life, died. He was a past president of Hartford Life Supervisors Assn.

WILLIAM S. ASHBROOK, former officer of Provident Mutual Life, died at his residence at Waterford, Va., at the age of 81. He had retired in 1935, after 39 years of service. He was a graduate of University of Pennsylvania and joined Provident in 1896. Inspired in part by his father, Joseph Ashbrook, a vice-president of the company, he developed an interest in the agents. He became agency secretary and created and developed to high degree the first Provident "agents' publication," "Provident Notes."

Public Wants Private System, Survey Finds

Most Americans would rather have their insurance managed by private companies than by the government, according to a recent Psychological Corp. of New York survey made with city and small town people from coast to coast. To the question, Would you rather have insurance companies managed by the government, or insurance managed by private companies? 78% indicated they preferred private companies, 13% preferred the government, 9% were uncertain. Even in the lowest income group, 66% preferred private management.

Over 80% of all families reported having some life insurance. Ninety-six percent said it would not be worth as much today as 10 years ago; 64% said it would buy about half as much, 16% about quarter as much, 12% three-fourths as much, 4% uncertain. Asked why, 4% said bad management by insurance companies,

29% high farm and business profits, 33% labor unions pushing up wages, 63% high government taxes and spending, 10% uncertain. Even the lowest income group named high government taxes and spending as the main cause, with labor unions and business profits second and third.

This survey was made in 1,147 homes only, and is therefore, subject to a somewhat larger chance of error than could be the case with the usual survey of 5,000 to 10,000 interviews.

Prudential Opens Regional Loan Office at Denver

Expanding its mortgage loan and real estate investment activities in the Rocky Mountain area, Prudential has opened a regional office at Denver to handle all farm and city loans in Wyoming, Colorado and New Mexico.

Swan T. McDonald, Jr., has been named regional manager and Hamilton B. Law office manager. Donald M. Sampson is production manager.

Mr. McDonald joined Prudential as a mortgage loan inspector at Memphis in 1941. He served as mortgage loan appraiser at San Francisco and Seattle and became production manager the first of this year.

Mr. Law started with Prudential at Seattle and recently has been chief clerk. Mr. Sampson started at Kansas City and went to Denver in 1946.

A.F.L., C.I.O. Offer Divergent Views on Pension Plans

NEW YORK—American Federation of Labor has altered its plans and will push for expanded federal social security instead of private pensions from employers, according to Nelson H. Cruikshank, its director of social insurance activities. C.I.O., however, will continue its drive for 10 cents an hour for pensions and other benefits, according to its counsel, Leonard Lesser. The divergent views of the two large unions were expressed at a panel discussion on pensions at a program here of American Management Assn.

A.F.L. wants the base for federal social security increased to the first \$4,800 or \$5,600 of wages. Labor doesn't think the Toledo area pension system allows it enough mobility and wants a national plan operated by the federal government, covering more workers.

Steel companies were cautioned against the Bethlehem Steel method of funding a pension because, as yet, the average steel company doesn't know what its pension costs will be under such a plan.

There was some mention that eventually the reserves built up by some pension funds may have to be invested in a company's own equities to alleviate the shortage of investment funds.

Defer Life Blank Revision

NEW YORK—The major revision in the life blank, putting it on a more modernized basis, was set back for another year by the blanks committee of N.A.I.C. at its spring meeting here. Among other things the revision would change the present showing of book and market values on real estate and make

of it an exhibit like that for policyholders. A "reconciliation" page would have corrected any misinterpretations of the new showings. Superintendent Robinson of Ohio, committee chairman, presided at the sessions. Further discussion will take place at the Quebec meeting of N.A.I.C. in June.

Holds Southern Seminars

A series of two-day seminars on sales plans and training methods was conducted by Aetna Life at six of its southern general agencies.

Agency Assistants Carl W. Eagle and John D. Wagner conducted the seminars, which dealt with estate control, business insurance, methods of training new agents and providing a continuing educational program for experienced salesmen.

Moves to Suburb

The consulting actuarial firm of Miles M. Dawson & Son has established headquarters at 1014 Hope street, Springdale, Conn., which is 35 miles from New York. A small office will still be maintained at New York City but the main operations will be at Springdale. The tabulating bureau has been located in Connecticut for some time.



December 31, 1949

Insurance in Force

\$1,175,942,707

Assets

\$238,351,704

Policy Reserves

\$206,618,163

Capital, Surplus & Contingency Reserve

\$26,313,771

Other Liabilities

\$5,419,770

LIFE
Insurance Company
of
VIRGINIA

Established 1871
Richmond, Va.
Robert E. Hensley, President



in offering special services for group policy-owners thru its unique Salary Savings Plan.

Represented only by full-time fieldmen.

Agency Holds Reception

A housewarming reception was held by the John Street agency of Connecticut General Life in New York City where C. W. Sabin, manager, was host. About 225 brokers and representatives of other agencies were present. Among

the home office delegates were Vice-presidents Albert J. Robinson and Robert K. Metcalf, and Superintendent of Agencies James L. Cole.

The agency is now located on the 15th floor at 55 John street in completely modernized quarters.

The KEY TO SECURITY



A Key to Success
for
Equitable of Iowa
Field Underwriters

Equitable Life of Iowa's field underwriters have enthusiastically endorsed the *Key to Security*, the Company's new and simplified method of life insurance programming. With a professional approach that is easy to understand, the *Key to Security* clearly defines the prospect's life insurance program requirements and graphically portrays the solution to his estate problems.

This new method of programming is consistently demonstrating its effectiveness as an aid to career life underwriting for Equitable of Iowa field men.

A three months survey indicates:

- Highly satisfactory results from the new *Key to Security* direct mail approach.
- A better than average ratio of sales per interview.
- 547 *Key to Security* sales totaling \$7,113,543.
- An average size policy of more than \$13,000.

Those are four excellent reasons why Equitable of Iowa field underwriters know that the *Key to Security* is their Key to Success.

EQUITABLE

LIFE INSURANCE COMPANY of IOWA

Founded 1867

Des Moines

OVER ONE BILLION LIFE INSURANCE IN FORCE

THERE'S SUBSTANTIAL MONEY

To Be Made Even in a Small City Through Our
General Agent's Contract

Attractive General Agency Territory Open to Experienced Men in —
OHIO INDIANA MISSOURI ARKANSAS IOWA
KENTUCKY MISSISSIPPI LOUISIANA

For full information write to
J. DeWITT MILLS, Superintendent of Agents

MUTUAL SAVINGS

MISSOURI'S FIRST WHOLLY MUTUAL LEGAL RESERVE COMPANY
Life Insurance Company

812 Olive Street—Arcade Bldg.

St. Louis 1, Mo.

ACCIDENT AND HEALTH

Provident L. & A. Has "Catastrophic" Hospital Coverage

"Catastrophic" hospital extras insurance is now written by Provident Life & Accident in connection with its new "preparedness" hospital-surgical policies. The new optional coverage is issued in two forms—one paying 100% of the first \$50 plus 75% of the next \$1,000 and the other paying 100% of the first \$100 plus 75% of the next \$1,000 charged for special hospital services (i.e., other than room and board.)

For example (using the \$100 form) if the bill for hospital extras is \$100 (or less) the policy will pay all of the expense incurred; if the bill is \$200, the policy will pay \$175, and if the bill totals \$1,100 (or more) the policy pays the maximum of \$850. The \$50 form operates in the same manner with a maximum limit of \$800 for hospital extras during any one period of continuous disability.

There is still a third new hospital extras rider which provides blanket protection up to a maximum of \$100. All three forms will be issued with new "preparedness" policies, written on both individual and family group forms, and all three can be attached to previous policies (of the same type) at their renewal dates, subject to the usual underwriting requirements.

Polio Policy Limit Raised

The maximum limit payable under the Provident L. & A. polio policy has been increased from \$5,000 to \$10,000. This change applies not only to new policies dated on and after April 1, but to all existing policies as respects any claim which may have its beginning on and after April 1, 1950.

The provisions for payment for special nurses has been extended to cover the usual and customary charge for as many as three registered nurses (that are not relatives of the patient) during any 24-hour period. Provident's polio policy contains no time limit and provides benefits for doctor's bills, hospital bills, special nurses, iron lungs, orthopedic appliances (purchase rather than rental), ambulance fees and emergency transportation.

Senate Sets Health Hearings

The Senate health subcommittee headed by Senator Murray will hold public hearings beginning April 18 on measures dealing with national health insurance and cooperative medical plans, including Senator Hunt's bill.

The subcommittee scheduled executive sessions beginning April 6 on Senator Hill's bill providing for a limited health insurance program, with the government paying premiums for coverage of low income groups.

New American H. & L. Policy

American Hospital & Life has put out an accident policy for men and women class A, which pays five years for accident total disability, 40% partial for three months, reimbursement for hospital, doctor and nurses, \$5,000 for loss of limbs or sight, and death benefit of \$1,000 to \$5,000.

Doctors, A. & H. Men Join

E. H. O'Connor, Insurance Economics Society, addressed a joint meeting of Omaha Assn. of A. & H. Underwriters, with about 400 in attendance, divided about equally among doctors and insurance men.

He said the nation has gone a long way down the path of the "handout state."

"Whether we realize it or not," he commented, "we are fast approaching socialization by taxation."

Mr. O'Connor said the nation is just

10 years behind England on a schedule planned by "designers of confusion" bent on destroying the competition of private ownership.

In advocating a compulsory sickness compensation and medical-care program he asserted, the government wishes "to destroy the most successful medical system the world has ever seen, and substitute for it a system that has failed everywhere else."

"You cannot legislate good health into being any more than you could create temperance by the Volstead act."

Continental Group Has DBL Self-Underwritten Plan

A self-underwritten policy, complying with the New York disability benefits law is announced jointly by Continental Casualty and Continental Assurance. Representatives of the companies initiated a new technique of "on-the-spot" delivery of policies to employers in metropolitan areas and throughout New York state.

The policy, which provides full statutory DBL benefits, is approved by the New York insurance department and workmen's compensation board. Soliciting agents are offered a choice of two commission schedules: Either a level commission of 7½% the first and subsequent years or regular group commission of 20% graded the first year and 5% graded thereafter.

The policy is designed for employers of four or more who have less than 25% seasonal or part-time employees. Such businesses may be covered by agents of either Continental Casualty or Continental Assurance. Cases involving 25% or more seasonal or part-time employees must be submitted for individual consideration.

Ray McArthur Speaker

Ray B. McArthur, home office representative of Time, spoke on "Dusting Off Sales," at the April luncheon meeting of A. & H. Underwriters of Milwaukee.

COMPANIES

Pacific Natl. Buys Building

Pacific National has purchased the Jewish community center in Salt Lake City for use as a home office and plans to move in early in the summer. The structure, which was built at a cost of \$300,000, was purchased by the company for \$100,000 with seller to remodel to suit buyer. It was the former mansion of Col. Enos A. Wall, a developer of Bingham mining district. The company will rent out the home office building which it now occupies.

Morrow to Paul Revere Life

Everett E. Morrow, who recently resigned as superintendent of A. & H. agencies of Old Line Life of Milwaukee, and previously field superintendent, has gone with Massachusetts Protective and Paul Revere Life as assistant to the vice-president in charge of agencies. His duties at Old Line were added to those of Paul A. Parker, agency director of the life department.

Florida Mutual Reinsured

Estate Life of Orlando, Fla., has reinsured Florida Mutual.

Russia Behind in Something

Life is longest in the English-speaking and Scandinavian countries, women live longer than men practically everywhere in the world except India, and Russia is at least a generation behind the United States in longevity, according to Metropolitan Life statisticians.

Wood
as Co

Geral
Home



G. A. B.

Underw

Equit

The c
table S
placed i
Doty be
Van W
Elmore
manager
J. Harr
manager
Robert
ager at
vice-pre
and his
Edward
who ha
Skou w
lyn and
Mr. V
Brookly
ager at
transfer
from wh
Mr. Sk
agent in
at Flus
the com
Willia
associate
assistant
agency
will mai
Mass., a

New

Edwar
pointed
Cleveland
J. Willi
Cleveland
assist
James S
have bee
represent
Connecti
Pittsbur
Mr. S
John's C
joined C
departm
to 1946
he has
manager

Tooke

Berkst
R. Toole
the McC
Mr. T
at New
assistant
and a y
home of

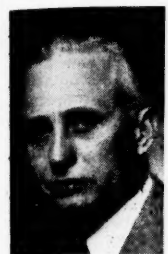
John

John
advancer
Kenne
manager
has bee
succeedi
tiring un
Willia

LIFE AGENCY CHANGES

Woodley Joins Home Life as Columbus Manager

Gerald A. B. Woodley has joined Home Life as manager of the company's new agency at Columbus.



G. A. B. Woodley

Underwriters Assn.

Mr. Woodley started in the business in 1929 and after six years in the army, joined Midland Mutual as supervisor at Columbus. While in this capacity, his agency was the leading Midland Mutual agency.

Mr. Woodley is president of the Columbus Life

Grand Rapids, has been named regional manager of the east central territory. Elwood E. Moreland, assistant manager at Cadillac, succeeds him at Grand Rapids.

Arthur W. Lowery, formerly regional supervisor of the southwestern territory, has been appointed manager at Beaumont, Tex. He is succeeded by Robert H. Wyly, formerly assistant manager at Dallas.

Decker Joins Reserve Life

Arthur C. Decker has joined Reserve Life as general agent at Shreveport, La. He was formerly with National Equity Life at Little Rock.

Mr. Decker entered life insurance in 1945 as an agent of Great Southern Life. He is a life member of the Million Dollar Round Table, first qualifying in 1946.

Flynn to New Orleans

Prudential has appointed Edwin P. Flynn district manager at New Orleans succeeding James N. Sullivan, resigned. With Prudential since 1936, Mr. Flynn has served as staff manager at Detroit and acting district manager at Memphis.

Wayne L. Mabry of Wiggins, Miss., has been promoted to district manager in charge of the Mississippi Gulf territory of Lamar Life. He has been in the business just since last June but has made a good start. He is president of the Rotary Club.

John R. Knott, assistant manager of Metropolitan Life at Charlotte, N. C., former president Charlotte Life Underwriters Assn., has resigned to become administrative assistant to the executive officers of Home Finance Group.

Utah Managers Learn They Carry \$6,000 of Natl. Debt

Orval W. Adams, executive vice-president of the Utah First National Bank, told the Utah managers at Salt Lake that each family in the U. S. has a \$6,000 share in the national debt and that each person has a share of \$1,713 with \$38 interest. He explained the dependence of the nation's banks and insurance companies on the ability of the government at Washington to pay its debts and urged the managers to work for an end of deficit spending.

Penn Mortgage Policies

Penn Mutual is now issuing 20, 15 and 10 year mortgage protection policies and mortgage protection agreements with premiums payable for 16, 12 and 8 years respectively. These plans may be converted as of the attained age without submission of evidence of insurability in an amount equal to 75% of the sum insured at the date of conversion.

Penn Mutual has also reduced premiums payable for its balanced protection and convertible income plans.

Hemispheric Luncheon

Hemispheric Insurance Day is to be observed by U. S. insurers at a luncheon May 15 at the Waldorf Astoria hotel, New York. One of the members of the committee is James A. McLain, president of Guardian Life.

Tulsa Leads Guarantee Mutual

The Carl M. Leonard agency of Tulsa led Guarantee Mutual Life in 1949. For seven of the nine years Mr. Leonard has represented Guarantee Mutual, he has had the leading agency. There were two of his agents who finished among the top 10 producers this year.

David A. Logie has been appointed assistant actuary of Continental Life of Toronto.

KENTUCKY HOME MUTUAL LIFE INSURANCE COMPANY

Louisville, Kentucky

Statement

As of December 31, 1949



Assets

Cash in Banks and Home and Branch Offices	\$ 393,226.78
Bonds and Stocks:	
United States Government Bonds	\$5,552,325.00
Municipal, Industrial and Railroad Bonds	142,773.15
Stocks	459,792.00
Due and Accrued Interest	9,135.84

6,164,025.99

Real Estate Mortgage

Loans:

Real Estate First Mortgage Loans	\$1,165,047.16
Real Estate sold under Contracts of Sale with Accrued Interest	28,512.44
Due and Accrued Interest on First Mortgages	5,367.22

1,198,926.82

Loans to Policyholders including Accrued

Interest	745,994.64
Policy Liens and Interest	1,628,411.80
Real Estate with Accrued Earnings	2,505,327.37
Premiums (secured by legal reserve)	176,652.82
Other Unclassified Assets	4,210.50

GROSS ASSETS

Less non-admitted Assets

TOTAL ADMITTED ASSETS

All furniture, fixtures, and equipment charged off.

Liabilities

Reserve for Policyholders	\$11,425,496.25
Reserves for Claims Payable in Installments and Amounts Held Under Supplementary Contracts	120,052.90
Reserves for Claims Unreported and Proofs Not Completed	65,241.77
Reserve for Dividends to Policyholders	47,039.69
Reserves for Premiums and Interest Paid in Advance	40,581.11
Reserve for Taxes Payable 1950	52,077.89
Reserve for all other liabilities	17,562.49
Reserve for revaluation of contract liabilities	190,831.25
Reserve for depreciation on Home Office	40,000.00

\$11,998,883.35

Surplus for Contingencies

Surplus Unallocated

TOTAL LIABILITIES

ELLSWORTH REGENSTEIN - - - - - PRESIDENT

Equitable Society Shifts

The C. Leroy Doty agency of Equitable Society at San Diego has been placed under Avrom I. Dickman. Mr. Doty becomes assistant manager at the Van Winkle agency at Los Angeles. Elmore A. Vossmeier has been named manager at Nashville succeeding Virgil J. Harrop who continues as associate manager.

Robert N. Rose has resigned as manager at Brooklyn to become executive vice-president of Health Service, Inc., and his agency has been split between Edward J. Skou and Edwin J. Debus who have been named managers. Mr. Skou will have headquarters in Brooklyn and Mr. Debus at Jamaica.

Mr. Vossmeier joined the company at Brooklyn in 1930, he became unit manager at Cincinnati in 1939, and in 1945 transferred to West Palm Beach, Fla., from where he transferred to Nashville. Mr. Skou joined the company as an agent in 1944 and became unit manager at Flushing in 1947. Mr. Debus joined the company at Jamaica in 1945.

William H. Sargeant has been named associate manager and Carl H. Schultz assistant manager in the J. D. Kennon agency at Providence. Mr. Sargeant will maintain headquarters at Attleboro, Mass., and Mr. Schultz at Providence.

New Group Appointments

Edward C. Sommer has been appointed district group manager at Cleveland of Connecticut General Life. J. William Van Horn is manager at Cleveland. Chester C. Goodsell will assist Mr. Sommer in Cleveland. James S. Ely and John R. Fulton, Jr., have been appointed group pension representatives to serve pension clients of Connecticut General in the Cleveland, Pittsburgh, Detroit and Toledo areas.

Mr. Sommer was graduated from St. John's College in Maryland in 1937 and joined Connecticut General's group sales department that same year. From 1943 to 1946 he was in the army. Since 1946 he has been assistant district group manager at Philadelphia.

Tooker Named Ass't G.A.

Berkshire Life has appointed William R. Tooker assistant general agent of the McCombs agency at Washington.

Mr. Tooker joined Berkshire in 1945 at New York City. In 1947 he became assistant general agent at New Haven and a year later field assistant at the home office. He is an army veteran.

John Hancock Changes

John Hancock has made several field advancements and transfers.

Kenneth R. Strang, previously regional manager of the east central territory, has been named manager at Detroit succeeding David Nushzno, who is retiring under the company's pension plan.

William H. Arveson, manager at

NEWS OF LIFE ASSOCIATIONS

Fine Program for N. Y. Sales Caravan April 12-14

The second annual sales caravan of the New York State Assn. of Life Underwriters is expected to draw an audience of about 1,500 in its appearances at Ithaca, April 12; Utica, April 13, and Rochester, April 14. Last year's meetings were held in Albany, Syracuse and Buffalo.

Halsey D. Josephson, general agent of Connecticut Mutual at New York City, will be chairman and will sum up at the end of each day. Speakers are Charles E. Drimal, Penn Mutual, New York City, "Starting from Scratch"; William J. Hunter, John Hancock, Syracuse, "Lessons Ordinary Agents Can Learn from the Industrial Field"; Russell B. Knapp, associate general agent in the Youngman Agency of the Mutual Benefit Life, New York City, "A Motivating Story for Every Prospect"; Roy Plaut, New York City at-

torney, "An Outsider Looks at a Life Insurance Sale."

At each meeting New York Life's film, "Tailor-Made Dollars" will be shown. At a question and answer session following each talk Mr. Josephson will be moderator.

Baltimore-Washington Speakers Announced

WASHINGTON—Nominated at the March 30 luncheon meeting of District of Columbia Life Underwriters Assn. from whom three will be elected directors in May were Mitchell Curtis, Lincoln National; Fred McNair, Jefferson Standard; William L. Porte, Mutual Life; Carney Smith, Mutual Benefit; Lawrence Brown, Reliance; William Macy, Phoenix Mutual.

President W. J. McCausland announced there are 24 new members among a total membership of more than 425, and that the membership goal

is 500 by the time N.A.L.U. meets here next September.

McKey Smith, Jefferson Standard, reported on arrangements for the Mid-Centennial Washington-Baltimore sales congress to be held here April 20. Baltimore promises to send 300.

The speakers include: E. J. Moorhead, executive vice-president U. S. Life, on "The More It Is the Same"; Ralph G. Engelsman, Penn Mutual general agent, New York, "Selling in 1950"; Roderick Pirnie, Massachusetts Mutual general agent, Providence, "Let's Get Back to Fundamentals"; Harry R. Schultz, Mutual Life, Chicago, "Your Business in Balance"; Glenn W. Isgrig, Reliance Life general agent, Cincinnati, "Let's Put on a Good Show."

E. K. Morris, local businessman and grandson of a founder of Travelers, in behalf of the local Boys Club, presented a gavel to Mr. McCausland.

Conger Brown, Woodson, Girk Lead Indiana Caravan

Nationalization of life insurance may become more than a remote possibility unless the public is fully informed about the business, Conger Brown, director of agencies for Prudential warned hearers in Indianapolis, Evansville and Ft. Wayne in the course of the caravan sales congress of Indiana State Assn. of Life Underwriters. Mr. Brown emphasized that insurance people should tell the public that life insurance, which is often spoken of as too big, has lagged in growth in the postwar years as compared to the growth of the national income. "Another fallacy is that life insurance is monopolistic," he declared, "Actually, there are now over 600 life insurance companies in the U. S. and agents as well as the public can vouch for the heavy competition that exists."

Benjamin N. Woodson, executive vice-president of State Life of Indiana, declared that life insurance is more than a plan of indemnity in the event of death and constitutes a lifetime financial program.

Robert Girk, Indianapolis attorney, said that if the proposal to combine gift and estate federal taxes became a law it would become impossible to provide sufficient liquidity to protect estates without life insurance.

St. Louis Congress Set

The sales congress of Life Underwriters Assn. of St. Louis will be held May 18. The speakers will be Cornelius Scheid, New York Life, Cleveland, on "As You Sow, So Shall You Reap"; A. R. Jaqua, Southern Methodist University; Powell B. McHaney, executive vice-president General American Life, and Francis L. Merritt, vice-president and director of agencies Central Life of Iowa.

Barnes on Ohio Program

Donald F. Barnes of Institute of Life Insurance will be a first-day speaker at the annual convention and sales congress of Ohio Assn. of Life Underwriters at Dayton May 12-13, on "Doing What the Public Wants." Daniel F. Casasanta, Metropolitan Life, Springfield, O., will talk on "Coordinating Social Security with Life Insurance." Mr. Casasanta is president of the Springfield association.

Charleston, S. C.—Charles J. Currie, Mutual Life, Atlanta, N.A.L.U. trustee, spoke at a largely attended dinner meeting.

Detroit—Frank L. McFarlane, Northwestern Mutual, Cleveland, spoke on work programs.

La Crosse, Wis.—Things that are basically good but are intangibles, such as religion and life insurance, are hard to sell, Francis L. Merritt, vice-president and agency director of Central Life of Iowa, said in discussing the "Challenge of Life Underwriters," before the Western Wisconsin association monthly luncheon-meeting. Although churchmen have been selling religion for more than 2,000

years, they still have a big job to do, and similarly life underwriters have hardly scratched the potential surface of sales. Life insurance is paid for with character. It takes an unselfish individual to provide his family with the proceeds from life insurance after he has gone.

Nashville, Tenn.—Foster A. Vineyard, general agent for Aetna Life, Little Rock, spoke on "Twice-Told Truths."

Grand Rapids—A joint luncheon meeting was held with the Grand Rapids C.L.U. chapter. Carl DeVol gave a talk on "Motivation." President E. R. Tonkel, read an article on social security benefits prepared by the National association.

Lockport, N. Y.—Nominees for new officers are President, Harry Dickinson; vice-president, Harold J. Meier; secretary, Thaddeus Maslowski, and treasurer, Richard Pascoe.

Richmond, Va.—Lester I. Bowman, Richmond attorney who formerly served as special attorney for the bureau of internal revenue here, spoke March 31.

SALES MEETS

Equitable, Ia., Schedules Meetings at Los Angeles

The Production Club convention of Equitable of Iowa will be held at Los Angeles, April 17-18. It will be followed by a two-day meeting of the general agents' Organization Club. Ray E. Fuller, agency vice-president, will be in charge of both meetings.

Speakers will be F. W. Hubbell, president; P. C. Irwin, actuarial vice-president; Dr. R. R. Simmons, medical director; J. M. Utter, Seattle; C. P. Spahn, Chicago; C. N. Denny, Kokomo, and V. C. Gilbert, Portland.

Hold Wis. Regional Meeting

E. O. Hammer, Milwaukee manager of North American Life & Casualty, sponsored a regional meeting of eastern Wisconsin agents to discuss sales problems and promotional activities. President H. P. Skoglund reviewed the company progress last year and reported that sales are currently running considerably ahead of a year ago.

State Farm Wichita Rally

A district meeting of the State Farm companies was held at Wichita, in charge of the W. Z. Johnson district agency. There were about 70 in attendance, including John A. Gronner, Kansas director, and District Managers William Schulte, Girard; George Fankhouser, Eldorado, and Robert Romig, Hutchinson.

Has Capital Area Meet

Prudential held an inter-agencies business conference at Washington for the Raleigh, Richmond, Roanoke and Washington agencies.

Sayre MacLeod, vice-president in charge of ordinary agencies, was the principal speaker. John S. Skelly, area superintendent of agencies, presided.

The Dan W. Flickinger agency of John Hancock at Indianapolis held its annual two-day spring school for full time representatives in this state. At a special dinner Glenn Fateley was honored on his 25th year with the agency and upon his recent appointment as assistant general agent.

Endowments 24% of Sales

A survey of New York Life's policies issued and paid for in 1949 showed that 24% of its sales by volume were endowment at 65. The sales totalled \$188 million and were 26% of the total number of policies. The next largest sellers were variations of endowment and ordinary life with family income all types of which totalled 16% by volume or \$127 million. Ordinary life was 16% for \$124 million and 20-pay life about 11% for \$83½ million.

Builders of Men...

NOW...

MORE THAN EVER BEFORE

you should investigate the advantages of our new expansion program for agency building.

HERE ARE THE BENEFITS FOR YOU

Complete Protection means more sales for agents.

- LIFE—ACCIDENT—SICKNESS
- HOSPITALIZATION—POLIO

New Finance Plan gives adequate income to the new agent.

Enlarged Training Program for new agents, including two weeks home office school.

New Direct Mail that really gets results.

Choice territory available for ten additional general agencies.

IF YOU ARE DISTURBED ABOUT YOUR FUTURE
OUR BUILDERS OF MEN PLAN WILL HELP YOU

Ask Us How



The Progressive
**GUARANTEE MUTUAL
LIFE COMPANY**

Since 1901

Omaha, Nebraska

Texas Companies to Meet

E. L. G. Zalinski, executive vice-president of National Assn. of Life Underwriters, will be the featured speaker at the one-day meeting of associate (or junior) section of Texas Life Convention at Houston April 22.

Concurrently the senior section of T.L.C. will be in session, with most of the top executives of the Texas companies planning to stay over for the regional meeting of American Life Convention there April 24-25.

WANT ADS

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

DISTRICT AGENCY OPPORTUNITY AT BURLINGTON, VT.

An experienced underwriter who is interested in AGENCY DEVELOPMENT as well as large personal production may well consider the CAREER POSSIBILITIES with this Civil Service Company.

A thriving business and University city, a delightful section in which to work and raise one's family. A good volume of high-grade life insurance in force. Ordinary Life Sales Potential in this territory—a five county DISTRICT AGENCY FRANCHISE—is sizable. Send qualifications and references to Vaughn D. Griffin, General Agent of Northwestern Mutual Life Insurance Company, P. O. Box 386, Manchester, New Hampshire.

A Life Insurance Company with over \$10,000,000.00 Group Premiums in Force is seeking a Group Actuary, not over 40 years old, who is a Fellow of the Society of Actuaries, with a background in Group Underwriting.

This is an excellent present position with opportunity for advancement.

In writing give experience history. All inquiries will be treated confidential.

Address: Z-7
The National Underwriter
175 West Jackson Boulevard
Chicago 4, Illinois

Experienced I. B. M. Supervisor with Knowledge of Insurance Accounting

Responsible man between 35 and 50 for position of controller of tabulating and accounting departments in insurance company located in Rockford, Illinois. Permanent position for capable person. Give full details in reply as to age, experience, and salary expected. All communications will be strictly confidential.

Address Z-44, The National Underwriter
175 W. Jackson Blvd., Chicago 4, Illinois

WANTED

EXPERIENCED LIFE AGENT

For Greeley, Colo. City of 25,000—50 miles North of Denver—Excellent opening for the right man. All replies held in strict confidence—address G. W. Ballah, C.L.U., District Agent, Northwestern Mutual Life Ins. Co., Fort Collins, Colo.

COMPANY MEN

Pauley Prudential's Substandard Underwriting Head

Burton S. Pauley has been appointed assistant director of ordinary underwriting by Prudential. In view of the company's recently announced enlarged program of writing substandard risks, it was felt that a special underwriting group should be established to handle such applications.

Before the war, Mr. Pauley spent 12 years with Lincoln National as an underwriter, qualifying as a fellow of Society of Actuaries. Following navy service he joined Great Northern Life in 1945, becoming vice-president and actuary. His father is C. O. Pauley, managing director of H. & A. Underwriters Conference.

He is a graduate of Northwestern University and did graduate work at University of Iowa.

Gose Pacific Mutual V.-P.

George B. Gose, general counsel of Pacific Mutual Life, has been elected a vice-president. Mr. Gose, a graduate of the University of California school of jurisprudence, joined Pacific Mutual as assistant counsel in 1942, became associate counsel in 1947 and general counsel in 1948.

Other advancements are: Alwin Lewis to associate actuary; Francis Small, manager advertising and publicity; Mary N. Kerr, personnel manager; Frances Ott, assistant secretary; D. A. McDonald, purchasing agent.

Moffat Joins National

National Life of Canada has named A. Howard Moffat superintendent of agencies. Mr. Moffat has been with Canada Life since he entered the business in 1939 as an agent. He joined the training department and became district manager at Kitchener. He was transferred to Hamilton in 1944 and in 1945 he went to the home office where he became agency assistant. He became agency supervisor in 1947 and in 1949 opened the branch in West Toronto for Canada Life.

Colter to Mutual H.O.

John M. Colter, assistant manager of the Springfield agency of Mutual Life, has been promoted to training assistant at the home office.

Joining the company at Springfield in 1946, Mr. Colter became assistant manager there two years later.

John V. Gorman has been named agency assistant by Equitable Society. He joined the cashier department at the home office 25 years ago, transferred to the policyholders service section in 1934 becoming supervisor in 1939. He joined the staff of 2nd Vice-president Samuel A. Burgess in 1947.

Modern Life of St. Paul has named Arthur E. Reiter, Jr. as assistant superintendent of agencies. He is the son of A. E. Reiter, president of the company.

North American Life of Canada has appointed E. D. Gibb and D. T. Weir associate actuaries, and A. R. McCracken assistant actuary.

Set Cal. Probe Hearings

LOS ANGELES—Chairman Ernest R. Geddes of the assembly interim committee on finance and insurance, which is to investigate the insurance business and report back to the 1951 legislature, has announced that his committee will hold hearings at Stockton April 10-11, San Diego April 17-18, Chico April 24-25, San Francisco May 22 and Los Angeles May 15-16.

BANKERS LIFE OF NEBRASKA



ANNUAL REPORT

ASSETS

Bonds (Amortized Value).....	\$42,192,796.69
U. S. Government.....	\$ 9,707,290.00
State and Municipal.....	2,669,663.34
U. S. Railroad.....	3,403,754.59
Public Utilities.....	12,874,382.53
Canadian.....	2,201,136.48
Industrial.....	9,334,569.75
Stocks (Preferred \$1,923,869.39; Common \$388,548.00).....	2,312,417.39
First Mortgages (Form \$1,479,936.63; City \$2,342,884.60; F.H.A. \$3,391,159.96; O.I. \$361,199.63).....	9,775,180.84
Real Estate (Home Office \$34,268.83; Sold Under Contract \$52,411.88).....	86,680.71
Loans on Policies.....	3,033,748.57
Cash in Office and Banks.....	1,346,106.03
Accrued Interest and Rents.....	587,151.67
Due from Reinsurance Companies.....	26,836.00
Deferred and Unreported Premiums and Misc. Items (Less Non-Admitted).....	570,066.42
TOTAL.....	\$59,931,004.32

LIABILITIES

Policyholders Reserve.....	53,476,997.88
Policy Reserve.....	\$47,401,299.00
Supplementary Contract.....	2,915,461.00
Prepaid Premiums.....	1,758,226.00
Dividends Left at Interest.....	1,402,011.88
Premiums Paid in Advance and Accounts Accrued.....	101,618.64
Dividends to Policyholders Payable in 1950 and Reserves for Deferred Dividends.....	338,216.02
Reserve for Taxes Payable in 1950.....	150,000.00
Reserve for Retirement Plans.....	994,936.19
Death Claims Reported, No Proofs Incl. \$30,000.00 Reserve for Not Reported.....	89,832.89
Reserve for Miscellaneous Small Accounts.....	43,706.54
Reserve for Fluctuation in Asset Values.....	250,000.00
Additional Funds for Protection of Policyholders.....	4,485,696.16
TOTAL.....	\$59,931,004.32

RECORD FOR 1949

INSURANCE ISSUED, REVIVED AND INCREASED.....	\$ 35,843,819.00
INSURANCE IN FORCE DECEMBER 31, 1949.....	237,912,197.00
INCREASE IN INSURANCE IN FORCE.....	18,672,239.63
INCREASE IN ASSETS.....	3,529,369.31

H. S. Wilson, President

C. H. Hoyt, Agency Vice President

HOME OFFICE — LINCOLN
NOW A MUTUAL COMPANY

Do You Want to Be with

AN AGGRESSIVE COMPANY?

Reserve Life is going after life business in 34 states and the District of Columbia with these outstanding features:

1. Completely-tested direct mail program, producing qualified leads.
2. Retirement Income and Juvenile plans, flexible Mortgage Redemption program, Monthly Income Disability, and many other special plans.
3. High commissions plus vested renewals.
4. Modern underwriting department.

With Reserve Life, you can own your own General Agency. For full details about the Company building for the Agency, write to S. J. Gilbert, Vice President and Director of Life Agencies.

RESERVE LIFE
INSURANCE COMPANY
HOME OFFICE: DALLAS, TEXAS

Sales Ideas and Suggestions

Sample Interview Offers Pointers on Making Policy Options Fit Needs

A sample interview describing the steps an agent might take on returning to discuss settlement options elected by a client has been prepared by the Solomon Huber agency of Mutual Benefit Life in New York City. Each interview must be tailored to the case, Mr. Huber says, pointing out that this stage in the sales technique is not reached until after the referred lead has been obtained from the previous client, and both a fact finding and a solution interview have taken place.

The interview deals with a personal case and assumes that a policy has been approved or issued and that an attempt for premium payment is to be made. All appointments are arranged by telephone to avoid wasted time. After preliminary greetings the agent mentions

that he needs the prospect's opinion about the settlements.

For example, he might ask him about the cash fund for final expenses and emergencies. The prospect is told that these can be paid outright or left on deposit with the privilege to his wife to make withdrawals. If he arranges to leave the money on deposit it means that his wife or beneficiary will receive a guaranteed return of $2\frac{1}{2}\%$ (or 3%). If she withdrew the money and placed it in a savings account, the chances are that her return would be $1\frac{1}{2}\%$ or 2% . By leaving the money on deposit prospect is still giving his wife cash because he can make provision for her to make periodic withdrawals or even take the entire amount of the fund. If there is a possibility that the prospect will have

liquid funds on hand the agent asks, "Don't you think it wiser for her to use money which is earning only $1\frac{1}{2}\%$ or 2% before using money which may be earning $2\frac{1}{2}\%$ or 3% ?" He also mentions that the prospect may add the privilege for his wife to use the fund to increase her monthly income.

The agent then may take up the question of the mortgage. He asks, "Would you like to have your mortgage payment made directly to the mortgagee or do you think it would be a good idea to have this money remain on deposit by giving your wife the choice of either paying the mortgage or perhaps going into a smaller house?" Both neighborhoods and housing needs change, he points out. He notes that this gives the wife the choice of deciding whether to live on in the same house and pay the mortgage, take a smaller house, or move to a more convenient neighborhood.

While Children Are Growing

Discussing monthly income to the family while the children are growing, the agent asks prospect if his wife should die while getting the income does he want his children to receive a lump sum payment or would he rather have them continue to receive monthly income at least until they reach maturity. He points out that some fathers feel it isn't too wise to make large sums of money available to children, that sometimes the wrong kind of guardian can get his hands on the money, or that very often there is no one to guide a child against his own improvidence. He also asks the father if he would rather the children receive outright funds in any event and sets up policies according to the answer.

Discussing the educational fund he asks if the prospect wants the money to go directly to the wife or to the youngsters in definite installments. Some feel it a good idea to let the youngsters manage their own money for educational purposes and as these funds aren't too large it might give them real training in money management. Or, he says, some men want the management of the fund left to their wives, and to the children only in event of the wife's death.

If his wife is to get a life income the agent asks if she should die while receiving the life income and the children are fully grown, does the prospect think it will be all right to allow them to have any remaining payments in a lump sum at that time as they would be fully grown by then and capable of managing their own affairs, or would he still want it paid out in the form of income?

Other contingencies if necessary or desirable are also discussed. Finally the agent tells the prospect that he'll make the payments judgment proof for the children as well as his wife as far as the law permits.

Ask for the Check

In closing he tells him that the company has made the plan available and he will work out the details exactly as he has indicated. He then asks the prospect to sign requests to different companies to prepare the necessary agreements to carry out the ideas. He also asks at that time for the premium check, telling him that he can, in that way, put his plan into immediate effect.

On the next call, also arranged by phone, the agent returns with the income settlement agreements ready for the client's signature. He points out that they follow the client's wishes and that they are revocable and that the client can change them easily if he wishes. Then the client is given the opportunity to look over the policy, the agreements, to ask questions, etc. As client is favorably impressed, this is a good time to ask for referred leads.

Gutmann Votes Prospecting Key to Agent's Success

At the all day sales congress of the Chicago Assn. of Life Underwriters, Harry K. Gutmann, Mutual Life, New York City, expressed his conviction that 80% of success in insurance marketing lies in systematic prospecting. Undue emphasis is put on training and sales patterns when such emphasis should be put on prospecting patterns, he said.

Mr. Gutmann, who is a member of the Million Dollar Round Table, seeks what he calls multiple need prospects, those who have multiple contacts in consolidated markets. Mr. Gutmann qualifies his prospect on the basis of the number of his needs. While not entirely eliminating the single need prospect, he concentrates his efforts among multiple need prospects.

Mr. Gutmann summed up his prospecting approach by describing how an original \$10,000 policy which he wrote in 1932 on a college classmate of his, has by this time led to \$547,000 worth of life insurance, not including a substantial volume of group insurance traceable to the original sale. He told how over the years he has sold this one prospect \$65,000. He entered the family sphere and sold the man's wife \$5,000, his brother, \$25,000 and a cousin \$55,000. Another cousin was uninsurable, but his wife bought \$26,000.

Mr. Gutmann entered this prospect's business sphere and discovered some business insurance was needed. He insured two junior executives as keymen for \$100,000 each. An application for \$250,000 on one of the officers was declined by the company, but the firm purchasing agent bought \$20,000, the sales manager \$10,000, a plant engineer and two accountants bought \$5,000 each.

Through Mr. Gutmann, a group insurance plan was installed and now a pension plan is under discussion. One of the junior members of the firm referred Mr. Gutmann to a small pension case for a welfare organization which was closed for \$115,000. The pension has yielded an additional \$28,000 in personal insurance.

Mr. Gutmann was able to enter the social sphere of his client and has written \$48,000 on the lives of two men with whom he and his original client play tennis.

Consolidated Marketing

Mr. Gutmann's term "consolidated markets" refers to long and exhaustive prospecting in a given community, either geographic or community of interest. Most of his business has come from three such markets, one through a hospital in which his brother interned, one through a temple in which Mr. Gutmann teaches Sunday School and one through an early office lead which led him into the entertainment business community of interest. He is now embarked into a fourth project, having recently moved into a suburban neighborhood which he is cultivating.

The speaker declared, "We are a fortunate generation of life insurance, living as we are at a critical juncture of economic history. We are witnesses to the deathbed scene of accumulated wealth, on one hand, and on the other, we are assistants to a new generation who can find no better way to create new capital than through the life insurance policy. As a result we are given two rich markets for our present and future operations; the one market is a generation trying desperately to conserve capital, the other generation trying equally desperately to create capital."

The Friendly Company of Distinction presents

The ROLL CALL

of

*Q-MEN



J. ROBERT COLE

* Quality Award Winners selected yearly by The National Association of Life Underwriters and the Life Insurance Agency Management Association.



DON D. BROWN

J. Robert Cole, General Agent of Los Gatos, California, has been an ONLI since 1935. He has steadily maintained a brilliant production and persistency record.

Don D. Brown, associate of the J. W. Millholland Agency of Columbus, Ohio, started in the business as an ONLI twelve years ago. He has achieved underwriting success by adhering to sound principles of life insurance selling and service.

The OHIO NATIONAL
LIFE INSURANCE COMPANY, Cincinnati, Ohio

1949 Figures for Michigan

All figures are for ordinary unless designated (G) for group or (I) for industrial. New business figures include business received and increased as well as new business paid for.

	New Business	In Force
Acacia Mutual	2,022,822	17,691,759
Aetna Life	18,181,161	137,286,517
American Natl. (G)	148,852,090	472,826,399
American Natl. (I)	8,820,568	24,514,087
Atlanta Life	6,535,444	37,045,317
Atlas, Okla.	2,168,817	15,691,608
Bankers L. & C.	168,177	154,800
Bankers, Ia.	1,456,836	1,064,047
Bankers, Neb.	2,048,476	8,644,378
Bankers Nat'l	1,530,000	1,527,000
Bankers Security	631,403	496,610
Beneficial Stand.	5,150,433	41,115,336
Ben. Assn. Ry. Emp.	1,374,201	5,095,253
Berkshire	2,518,308	7,891,488
Business Men's	2,771,926	9,493,954
Canada Life	672,364	3,662,008
Central, Ia.	63,644	60,131
Central, Ill.	62,497	39,000
College Life	4,000	885,273
Columbian Nat'l	2,883,500	3,592,500
Columbus Mut.	760,125	9,377,368
Confederation	917,690	6,619,165
Conn. General	77,600	60,000
Conn. Mutual	4,916,986	35,481,026
Continental, Ill.	635,000	1,365,800
Credit Life	1,509,944	12,359,210
Crown Life	1,021,520	22,133,375
Cuna Mut., Wis.	1,445,920	4,028,031
Dominion	2,018,500	3,159,500
Equitable Soc.	573,671	4,905,165
Equitable, Ia.	74,300	346,750
Expressmen's	6,959,528	49,424,812
Farm. & Trad.	2,007,775	4,534,739
Federal L. & C.	6,365,781	47,506,287
Federal, Ill.	22,170,903	62,841,943
Fidelity H. & A. Mu.	7,293,553	81,127,962
Fidelity Mutual	26,522	39,627
Franklin	2,500	2,500
General Amer.	13,791,780	61,260,706
Girard	13,125,482	47,702,018
Guarantee Mut.	48,582	32,287
Guardian, N. Y.	46,783	27,967
Great Lakes	4,325,316	33,909,639
	1,229,600	1,539,500
	70,233	234,350
	9,468,504	16,833,201
	3,857,716	36,731,002
	124,000	158,000
	32,736,689	235,534,579
	48,000,695	183,638,108
	5,273,475	50,384,992
	84,116	1,489,628
	157,762	1,617,834
	194,450	785,052
	834,936	11,341,855
	251	475,839
	1,771,953	17,987,352
	6,407,165	31,563,180
	1,163,600	12,136,934
	9,728,475	55,064,446
	111,552	1,183,381
	761,728	9,559,870
	1,029,948	12,362,440
	830,000	1,669,750
	11,738,977	28,507,482

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

*Insures
The Whole Family*

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE — SYRACUSE, N. Y.

SOUND—SAFE—REAL ESTATE—LOANS
San Francisco & Oakland, California Area
Inquiries Invited—Complete Service
A. J. BOCK CO.
MORTGAGE BROKERS
345 Franklin St., San Francisco 2, Calif.
Hemlock 1-6273

	New Business	In Force
Great-West	\$ 11,769,300	\$ 81,186,218
Home, N. Y.	(G) 197,000	4,481,610
Illinois Bankers	5,757,523	44,494,878
Indianapolis	165,469	1,744,550
Inter-Ocean	711,218	7,177,636
Jefferson Natl.	58,000	75,000
John Hancock	637,000	2,354,615
	30,793,633	254,069,096
	(G) 159,973,480	417,224,462
	(I) 17,152,283	118,899,542
Kansas City	2,585,594	13,316,727
Lafayette, Ind.	3,328,008	22,889,444
Life of Va.	5,450,621	36,885,193
	(G) 141,500	528,082
	(I) 6,020,331	45,309,339
Lincoln Natl.	19,680,731	150,937,208
	(G) 9,724,905	13,991,305
Loyal Protec.	298,263	1,149,112
	(G) 206,000	206,000
Lutheran Mut.	1,640,935	13,064,408
Manhattan	707,622	4,112,818
Manufacturers	8,385,683	81,547,206
	(G) 89,000	389,000
Mass. Mutual	12,532,806	160,729,956
	(G) 507,855	618,631
Metropolitan	60,354,212	761,238,442
	(G) 467,082,721	874,361,095
	(I) 29,313,733	416,827,559
Mich. Life	3,997,413	31,234,905
	(G) 6,847,188	12,291,757
Midland Mut.	1,166,545	11,194,117
Minn. Mutual	2,585,304	16,000,958
	(G) 4,605,350	7,747,450
Monarch	826,202	4,949,413
Monumental	3,368,500	20,325,496
	(I) 4,007,577	21,149,130
Mutual Ben. Life....	23,359,958	274,025,914
Mutual, N. Y.	8,916,444	131,065,606
Mutual Trust	1,907,543	19,744,017
National L. & A.	11,051,302	44,060,611
	(G) 1,398,100	1,844,000
	(I) 20,251,997	72,318,610
National, Ia.	595,934	2,949,824
National, Vt.	5,829,388	52,164,585
Nat. Masonic Prov.	1,000	146,000
New England Mut.	8,772,678	96,242,732
New York Life	22,354,242	251,398,144
No. Amer. Acc.	148,903	844,067
No. Amer. Life, Ill.	249,888	3,414,053
Northern, Wash.	597,674	915,556
Northern, Can.	1,987,423	13,379,806
N. W. Mutual	28,228,774	343,991,143
N. W. Natl.	2,757,808	31,651,320
	(G) 3,029,741	12,383,500
National, Can.	93,480	772,366
	(G) 9,000	48,000
No. Amer., Can.	3,873,855	24,773,855
	(G) 19,000	75,500
Occidental, Cal.	8,305,677	24,861,282
	(G) 653,222	29,956,419
Ohio National	7,189,932	41,502,089
Ohio State	1,151,632	13,323,070
Old Line	248,197	3,005,828
Old Rep. Credit....	1,614,089	1,799,810
Pacific Mut.	3,042,562	20,865,737
Paul Revere	1,472,506	10,139,271
	(G) 186,000	284,000
Penn Mutual	11,454,664	99,067,985
Peoples, Ind.	1,154,577	5,927,575
	(G) 155,000	193,500
Philadelphia	17,129	420,339
Phoenix Mut.	3,687,836	38,000,526
Provident L. & A.	240,241	1,191,822
	(G) 707,000	14,775,500
Provident Mut.	6,428,422	97,926,327
Prudential	68,033,961	610,934,197
	(G) 51,903,398	175,235,274
	(I) 18,279,738	282,522,209
Reliance	3,657,911	39,125,968
Rockford	35,500	1,587,741
Security Mut., N. Y.	1,500,325	7,631,732
	(G) 128,500	116,500
Standard, Ind.	183,500	1,617,739
State Farm	5,255,122	27,841,039
	(G) 649,000	649,000
State, Ind.	166,597	4,934,368
State Mutual	3,846,919	40,293,315
	(G) 493,763	5,401,263
Sterling, Ill.	1,318,213	2,023,942
Sun, Can.	10,986,153	120,493,772
	(G) 18,530,599	64,999,013
Supreme Liberty	1,381,691	6,896,236
	(I) 3,540,934	7,958,334
Travelers	8,999,652	88,529,253
	(G) 124,330,089	373,084,253
Union Central	2,090,433	27,378,887
	(G) 382,458	382,458
Union Labor	242,185	1,027,341
Union Mutual	2,811,173	9,737,500
	(G) 899,790	6,074,132
	(I) 122,500	122,500
United Benefit	5,323,991	32,860,754
	(G) 14,500	128,000
United, Ill.	1,058,052	1,642,278
	(I) 8,102,859	18,092,937
United L. & A.	711,812	5,129,478
Victory Mut.	69,000	162,301
Wash. Natl.	3,577,458	31,110,595
	(G) 33,500	347,307
	(I) 5,212,510	15,656,495
Western & South....	11,162,765	102,645,560
	(G) 371,810	1,370,400
	(I) 8,597,582	98,283,432
Wis. National	3,747,388	21,562,204
Wood. Cent. Assur.	753,274	2,279,248
World, Neb.	1,222,961	2,240,891
	(G) 18,500	66,000
Total Ordinary	633,840,620	.....
Total Group	1,113,943,912	.....
Total Indus.	142,290,624	.....
Total All Classes	1,890,075,156	.....

G. W. Smith on Coast Tour

George W. Smith, president of New England Mutual Life, has been on a tour of the Pacific Coast. During his stay at San Francisco he conferred with David S. Kamp and Frank W. Dedman, general agents at San Francisco and Oakland respectively.

GEARED FOR TODAY'S MARKET!



Here is a partial check list of protection plans which enables CENTRAL LIFE OF ILLINOIS field men to meet the needs of today's market.

INCOME PROTECTOR . . . maximum protection, liberal conversion features — low cost — \$100.00 per month for 20 years, age 35, rate—\$87.90 annually.

MORTGAGE PROTECTOR . . . \$5000 — 20 year mortgage protection, age 35, rate—\$40.18 annually.
CENTRAL ACCIDENT...\$100.00 per month for 5 years, then \$25.00 per month for life, in event of total disability resulting from accident—rate \$28.62 annually.

Add to these a complete line of life insurance including Retirement Multiple Protection, Family Income, Guaranteed Investment . . . Hospital . . . Accident & Health . . . Polio . . . all forms of Group, plus lead producing material that really works.

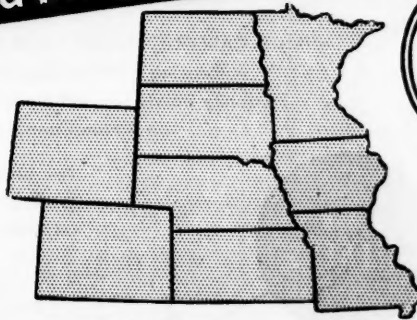
a neighborly company

CENTRAL LIFE Insurance Company OF ILLINOIS

Alfred MacArthur, President
Founded 1905

211 W. Wacker Drive Chicago 6, Illinois

Just a Minute, Please!



Agency
Builders
Needed

RAYMOND F. LOW, President

AMERICAN RESERVE LIFE
Insurance Company
OMAHA

LIFE — ACCIDENT — HEALTH — HOSPITALIZATION

"4 to 49"

NOW YOU CAN SELL, effective July 1, 1950, Prudential's Basic Group Disability Benefits Policy for groups of 4 to 49 employees, inclusive. This policy provides statutory benefits. It is easy for you to sell and easy for your prospect to administer. It is designed primarily for groups of 4 to 24 employees. It will also appeal to prospects with 25 to 49 employees.

No complicated data is required for underwriting purposes. This attractive Prudential policy has a convenient, flat, *per employee* premium rate. It does not vary because of age, sex, or occupation of employees.

Don't Be Late — call us now for attractive proposal forms, and applications. Join the many Brokers using our well-known, no-charge, "know-how" service.

Brokerage Specialists

EUBANK & HENDERSON, Managers

Downtown Agency

The Prudential Insurance Company of America

40 Wall Street — Dlgby 4-0040 — New York 5, New York

For Sales' Sake — Watch These Ads

FOR CAREER LIFE UNDERWRITERS

SECURITY

of
INCOME

against
OLD AGE

and
ILLNESS

Security

of INCOME against
OLD AGE and ILLNESS

**PAN-AMERICAN LIFE
INSURANCE COMPANY**

offers a CAREER CONTRACT FOR CAREER MEN
embracing a Pension for Retirement with
Disability Provisions and Death Benefits . . .
on A Non-Contributory Basis . . .

Plus: UNEXCELLED SERVICE
• COMPETITIVE MERCHANDISE
• FLEXIBLE UNDERWRITING

For Information Address:
CHARLES J. MESMAN,
Superintendent of Agencies

CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice President

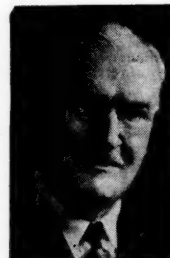
KENNETH D. HAMER
Vice President & Agency Director

**PAN-AMERICAN
LIFE INSURANCE CO.**
NEW ORLEANS, U. S. A.

FRATERNALS

Cannon, Leading Fraternalist, C.O.F. Chief, Passes Away

Thomas H. Cannon, 86, chairman of Catholic Order of Foresters and one of the grand old men of fraternalism, died at Chicago. Mr. Cannon had been chairman since 1944 and from 1894 until that time held the top post of high chief ranger. Mr. Cannon, an attorney, entered C. O. F. work in 1888 and was elected secretary in 1892. Mr. Cannon worked tirelessly to improve the financial condition of the organization and bring it to the stable state it has reached today. Through his efforts the society in 1911 adopted the N.F.C. 4% reserve table. In 1922 he was successful in having the American experience 4% table adopted. Again through his efforts about 1900 the society began to lay aside surplus and in 1922 when C.O.F. adopted an adequate reserve basis, the society had accumulated \$8 million, largely in favor of older men and at attained ages. Also in 1922, Mr. Cannon engineered adoption of total disability insurance, cash values, and other modernizing benefits.



T. H. Cannon

Former President of N.F.C.

Mr. Cannon was for many years a guiding spirit of National Fraternal Congress. He was president in 1910. He was secretary of N.F.C. for a number of years until Foster F. Farrell was hired a full time secretary.

Mr. Cannon was unusually civic minded. He was attorney for the Chicago Policemen's Benevolent Assn., a director of Catholic Charities, a member of the Illinois board of pardons and paroles from 1927 to 1933 and a life member of the Art Institute of Chicago.

N. Y. Fraternal Bill Signed

Governor Dewey has approved a bill to exempt from the definition of fraternal benefit societies for insurance purposes such religious, charitable, benevolent or fraternal organizations as pay not more than \$100 on death of mem-

bers and that have been in operation 25 years or more as of March 1, 1950.

He also has signed an amendment providing that maximum age of 65 for sickness benefits payable by fraternal does not apply to hospital benefits furnished members under plans without limits, if the plan was in operation before Jan. 1, 1940. Persons are not eligible hereafter beyond age 55.

EDWARD J. JEFFRIES, 49, general counsel of the Maccabees, died at St. Francis hospital in Miami Beach. He had been in the hospital since March 21 when he suffered a heart attack. Mr. Jeffries was mayor of Detroit from 1940 to 1948 and before that was a Detroit councilman for eight years.

Penn Mutual Life Appoints Bengston at Cincinnati

H. Roger Bengston has been appointed general agent at Cincinnati for Penn Mutual Life. He succeeds Richard W. Angert who will become an agent.

Mr. Bengston was graduated from the University of Pittsburgh and entered the Pittsburgh agency of Penn Mutual in 1931. He became territorial manager and associate general agent in the Pittsburgh agency.

During the last war he was in the navy.



H. R. Bengston

NEWS BRIEFS

J. H. Shreiner, vice-president of Towers, Perrin, Forster & Crosby, will discuss the influence of union attitudes on pension plans at the April 14 dinner of Insurance Managers Assn. of Philadelphia.

E. C. Upton, Jr., general agent Mutual Benefit Life at New Orleans, addressed a class for small business men in the evening division of Tulane on business insurance.

Austin, Tex., life managers heard a talk on the values of Life Underwriting Training Council by Boyd Weide, general agent for Minnesota Mutual.

Towers, Perrin, Forster & Crosby, Philadelphia and Chicago pension and employe benefit plan consultants, have opened a New York office at 230 Park avenue. Warren F. Seubel and Charles S. Manning will be located there.



"LUCKY STIFF! HE'S THE PRESIDENT OF THE BESTEVER HEALTH & ACCIDENT INSURANCE COMPANY."

Con

April 12- regional m Des Moines

April 12- Insurance Beach hotel

April 19- regional, F

April 22- insurance Co

April 24- regional, S

April 27- ference, Fr

April 27- L.I.A.M.A., cago.

May 1-3, annual, Wa

May 4-5- Pennsylvania

May 8-10, panies mee

May 11- ville, N. C.

May 11- Statistical

May 12-1 Assn., annu

May 12- gress, Salin

May 12- Assn., Biltm

May 15- Counsell, s

May 15- White Sulph

May 15- Officers As

May 18-2 derwriters,

May 22- Assn., spiri

May 22- Home Offi

May 24-2 annual, B

June 1-2 America, s

June 5-6, Haddon Ha

June 5-6, water Beac

June 5-7, ference, an

June 7, Edgewater

June 7-9, St. Donat,

June 12- ance Comm

June 15- meeting, C

June 19- Seminar of

Jan. 20-21, Beloit Colle

Jan. 20-21, Canada, an

Jan. 20-21, ronto.

July 6-8, ance Comm

Sept. 14- Counsell, an

Sept. 18-2 Greenbrier

Sept. 25- Assn., annu

Sept. 25- derwriters,

Sept. 25- gress, annu

Oct. 3-6, annual, Edg

Oct. 23-23 Insurance o

Nov. 1-3, derwriters,

Nov. 9-11, Greenbrier,

Nov. 15- surance A

Dec. 10-15 Commission

Dec. 10-15 geles.

Buyers to

"Pension

of Towers,

at the April

surance Bu

Convention Dates

April 12-13, American Life Convention, regional meeting, Hotel Fort Des Moines, Des Moines, Ia.

April 12-14, Zone 4 National Assn. of Insurance Commissioners, Edgewater Beach hotel, Chicago.

April 19-20, American Life Convention, regional, Hotel Patten, Chattanooga.

April 22, zone 2 National Assn. of Insurance Commissioners, Wilmington, Del.

April 24-25, American Life Convention, regional, Shamrock hotel, Houston.

April 27-29, Midwest Management Conference, French Lick Springs, Ind.

April 27-29, A. & H. conference L.I.A.M.A., Edgewater Beach hotel, Chicago.

May 1-3, U. S. Chamber of Commerce, annual, Washington, D. C.

May 4-5, Insurance Federation of Pennsylvania, annual meeting, Hotel William Penn, Pittsburgh.

May 8-10, L.I.A.M.A. combination companies meeting, Grove Park Inn, Asheville, N. C.

May 11-13, Insurance Accounting & Statistical Assn., annual, Statler hotel, Boston.

May 12-13—Kansas Life Underwriters Assn., annual meeting and sales congress, Salina.

May 12-13, Ohio Life Underwriters Assn., Biltmore hotel, Dayton.

May 15-16, Assn. of Life Insurance Counsel, spring meeting, Greenbrier, White Sulphur Springs, W. Va.

May 15-17, Canadian Life Insurance Officers Assn., annual, Seigniory club, Montebello, Que.

May 18-20, Florida Assn. of Life Underwriters, Biltmore hotel, Palm Beach.

May 22-23, Life Office Management Assn., spring conference, Hotel Fontenelle, Omaha.

May 22-24, annual meeting of the Home Office Life Underwriters Assn. at the Hotel Statler in New York City.

May 24-26, Life Insurers Conference, annual, Broadmoor hotel, Colorado Springs.

June 1-2, Life Insurance Assn. of America, spring meeting, Chalfonte-Haddon Hall, Atlantic City.

June 5-6, Society of Actuaries, Edgewater Beach hotel, Chicago.

June 5-7, H. & A. Underwriters Conference, annual, Hotel Statler, New York.

June 7, Fraternal Actuarial Assn., Edgewater Beach hotel, Chicago.

June 7-9, Canadian Fraternal Assn., St. Donat, Que.

June 12-16, National Assn. of Insurance Commissioners, annual, Chateau Frontenac, Quebec.

June 15-17, A.L.C. Medical Section meeting, Greenbrier, White Sulphur Springs, W. Va.

June 19-30, Life Officers Investment Seminar of American Life Convention, Beloit College, Beloit, Wis.

Jan. 20-21, Life Underwriters Assn. of Canada, annual, Royal York hotel, Toronto.

June 26-30, International Assn. of A. & H. Underwriters, on steamer Greater Detroit.

July 6-8, International Assn. of Insurance Counsel, Greenbrier, White Sulphur Springs, W. Va.

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 25-27, Life Office Management Assn., annual, Royal York hotel, Toronto.

Sept. 25-29, National Assn. of Life Underwriters, annual, Hotel Statler, Washington.

Sept. 25-28, National Fraternal Congress, annual, Statler hotel, New York City.

Oct. 3-6, American Life Convention, annual, Edgewater Beach hotel, Chicago.

Oct. 23-25, Assn. of Superintendents of Insurance of Canada, General Brock hotel, Niagara Falls, Ont.

Nov. 1-3, Institute of Home Office Underwriters, annual, Fontenelle hotel, Omaha.

Nov. 9-11, Society of Actuaries, annual, Greenbrier, White Sulphur Springs, W. Va.

Nov. 15-17—Annual meeting Life Insurance Agency Management Assn., Edgewater Beach Hotel, Chicago.

Dec. 10-15, National Assn. of Insurance Commissioners, winter meeting, Los Angeles.

Equitable Makes First Freight Car Deal, \$7½ Million

Pullman-Standard Car Manufacturing Co. has contracted to sell 1,300 new freight cars to Equitable Society which will rent them to Atlantic Coast Line Railroad. Total cost is about \$7½ million. Equitable will pay 80% on delivery and the remainder over five years as rentals are collected from the railroad. The 15 year lease calls for daily rental and at the end of that time the railroad can return the cars or lease them for 10 years more at 20 cents a day. The daily rental the first 15 years was not disclosed. Equitable will retain title and the cars will carry a plaque to that effect.

The Equitable plan, it is said, may effect some tax savings for the railroad since rental is deductible from operating cost.

Mutual Benefit Simplifies Settlement Requesting

A printed form has been developed by Mutual Benefit Life for requesting policy settlement arrangements. When completed by appropriate check marks and insertions of necessary phrases and signed by the insured, the policy settlement request becomes the actual agreement as to payment of proceeds and a part of the policy contract. The form is to be completed by the insured or applicant for new insurance with the help of the agent or agency office. The form may be used to include the proceeds of more than one policy, even though policies are on different editions of the company's contracts.

A policyholder will be able to see, when he completes the form, the exact way in which his request for payment of policy proceeds will be phrased as part of his contract. He will be relieved of reviewing a typed agreement, based on verbal or written instructions, to see whether his wishes have been properly indicated, which has been necessary previously.

The agent also will save time in determining the exact arrangements desired by the insured; in reducing the amount of his correspondence with the home office about settlement arrangements for policyholders; and in explaining to an insured the typed form of agreement based on verbal or letter instruction.

The home office of the company will benefit from the reduction in volume of typing required to prepare individually written settlement agreements for the majority of cases. The form was designed to cover the types of requests and cases most frequently received, and these cover the majority of agreements prepared. When the request form cannot be used, individually written agreements will be prepared as heretofore.

March business of Massachusetts Protective and Paul Revere Life was the largest of any month in history. New A. & H. business set three new records during the period. Previous new business marks for a single day, a single week and a month were topped. Life volume for the first quarter was 10% greater than that of 1949.

Thomas I. Parkinson, president of Equitable Society, will speak on the company's radio program, "This Is Your F.B.I." April 7. J. Edgar Hoover, F.B.I. chief, will be guest. The program has 18 million weekly listeners. Company sales promotion efforts through it have resulted in more than 50,000 sales for a volume of \$200 million in the last four years.

Durham Life has become a member of Insurance Accounting & Statistical Assn.

NEWS BRIEFS

Pensions and insurance issues were important in 189 work stoppages that caused 55% of employe idleness during 1949, according to the Bureau of Labor statistics.

Philadelphia's C.L.U. chapter will hold its 1950 luncheon and seminar on wills and estate settlements April 20.

The office planning and equipment committee of Life Office Management Assn. held its monthly meeting at the new home office of John Hancock.

Willard C. Brudi, superintendent of agencies of Lincoln National Life, addressed a luncheon meeting of General Agents & Managers Assn. of Springfield, Ill., on "Know Your Man."

John A. McCelvey, Prudential, Fort Worth, addressed the Fort Worth managers.

John M. Holcombe, Jr., managing director L.I.A.M.A., will speak before the Toronto Agency Assn. April 26 on "What the Agent Expects from the Head Office Agency Man."

John C. Storey, a graduate of Harvard and Harvard law school, has joined New England Mutual's law department.

Insurance in force for Franklin Life passed the \$800,000,000 mark during March, the company's 66th anniversary

month. During the month assets increased beyond \$150,000,000.

During the first quarter \$50,000,000 of new business has been sold.

Ups Blue Shield Limits

Commissioner Malone of Pennsylvania has approved a change in income limits under which policyholders of Medical Service Assn. of Pennsylvania (Blue Shield) will have all medical, surgical, dental and osteopathic bills paid in full.

For a single person, the income limit becomes \$2,000 as against \$1,560 in the past; for a person with one dependent, the limit is \$3,000 combined income against \$2,345; and for a person with more than one dependent, the limit is \$4,000 for the family group as against \$3,120.

Assured within those limits cannot be billed for services covered in the agreement in amounts higher than the benefits payable under the policy.

Legislation was enacted this year authorizing members of Medical Service Assn. to fix the income limits subject to the approval of the insurance department.

Blue Shield is now selling its policies on an individual basis. Heretofore the insurance was available only under a group plan.

Fifty-Sixth Year of Dependable Service

★ The State Life Insurance Company has paid \$168,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$73,500,000 in Assets for their benefit . . . Policies in force number 102,000 and Insurance in force is over \$209,000,000 . . . The State Life offers General Agency Opportunities — with liberal contract, and up-to-date training and service facilities — for those qualified.

★ ★ ★

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

Buyers to Hear Pension Talk

"Pensions — Insured vs. Trusteed" will be discussed by Charles H. Ellis of Towers, Perrin, Forster & Crosby at the April 20 meeting of Mid-West Insurance Buyers Assn. of Chicago.

50 YEARS OF SERVICE

Since its organization in 1900, the guiding principal of Liberty National Life Insurance Company has been to achieve success by deserving it; to protect its Policyholders and their Beneficiaries with fair, unselfish contract and to construe it liberally in their favor; to serve them faithfully, adequately, honestly and economically.

LIBERTY NATIONAL
Life Insurance Company

BIRMINGHAM, ALABAMA

THE NORTHERN LIFE INSURANCE COMPANY

Provides its Underwriters —

- Generous First-year Commissions
- Full Renewals to the 15th Year
- Group Life-Accident-Health Protection
- A Life Income Pension Plan
- Prize-winning Sales Helps
- A FULL Sales Kit, Including Life, Accident, Health, Hospitalization, Group Life, Group A & H, Salary Savings

Managerial Openings in Newly-opened Midwestern Territory. Write Direct to Home Office; L. J. Myklebust, 940 Des Moines Bldg., Des Moines, Iowa; or H. C. Vollmann, 4434 North Dover Street, Chicago 40, Illinois.

NORTHERN LIFE
INSURANCE COMPANY

Established 1906

D. M. MORGAN, President
Home Office: Northern Life Tower
Seattle, Washington

LIFE * ACCIDENT * HEALTH
Issued together at a substantial saving,
or separately

ACTUARIES SET ATTENDANCE RECORD

(CONTINUED FROM PAGE 2)

he also could keep some of his previous tasks. This type of organization would make it possible for the job to be suited to some extent to the capacities of the individual.

The mortality experience under medically examined standard pension trust business covering the four years 1946-49 was 71% of the expected according to Elston's Select Table, J. L. Stearns, 2nd vice-president and actuary New England Mutual, reported. This was about 87% of the company's mortality on standard issues for a similar block of business.

Equitable Society's Experience

Norman Brodie, Equitable Society, in reporting the mortality on pension trust business in his company, stated that on standard business issued both medically and non-medically since 1942 the mortality was about 104% by policies and 111% by amounts of that experienced during the same period under all standard medically examined issues. About 10% by policies and 5% by amounts of the exposure under pension trust was from business written non-medically. Although based on a comparatively small amount of data, the indications were that the mortality on pension trust business was less favorable at age at issue over 50 than for the younger ages at issue.

He recognized the demand for ordinary life policies on pension trust units. The annuity is purchased by the cash value of the life policy plus an additional amount accumulated in a supplementary self-administrated and flexible fund. Employee vested rights, if any, are only in the life contract, so the cost to the employer on behalf of terminating employees is less. However, in view of the problems involved, his company does not now issue a life contract with a guarantee to convert to retirement income by payment of an amount based on reserve differences. Their present practice is to use a life policy with a provision that a single-premium 10-year certain life annuity would be available in the future at the regular gross rates then current.

PREFERS MEDICAL

The mortality experience of the first five policy years on pension trust business in Mutual Benefit Life did not indicate any significant difference between pension trust mortality and the over-all company experience, W. F. Ward said.

In discussing the writing of pension trust business on a non-medical basis, Mr. Ward pointed out that the agent is primarily making the sale to the employer and often has little contact with the insured other than for the routine completion of the application, and it was apparent that the agent in many cases did not have the opportunity to obtain reliable information. Proper underwriting of new pension trust business, he felt, required medical examination.

Mr. Ward said his company allows conversion plans of this type on policies other than ordinary life. Life paid-up at age 65 constitutes a particularly attractive plan. However, while agents have shown considerable interest in this kind of program, very few pension trusts have been written on this basis.

Criticises "Backward Step"

Certain pension plans recently negotiated represent a backward step in the development of retirement plans, said John K. Dyer, vice-president of Towers, Perrin, Forster & Cosley, Philadelphia pension consultants.

"It is unfortunate that a '23 model of pension plan is now the pattern for industry," he said. "The use of a fixed amount of income, less social security benefits, is unsound. It will be a hard struggle ahead to get pension plans back on a sound basis."

If private pension plans are to survive, said Mr. Dyer, "they must be put on a sound basis, have some definite amount of benefits, provide assurance of payment, and require actuarial reserves to back them up. One of our major problems today is to unscramble the mess into which pension planning slipped during the past year."

Load Falls on Producers

"Ultimate decision must be whether productive workers can produce enough to take care of those who stop working," Henry E. Blagden, 2nd vice-president and associate actuary of Prudential, said.

"Actuarial attention should be given to analytical study of cost bases, rather than relative merits of accounts, limits, and the like," said Allen L. Mayerson, actuarial assistant of National Surety Corp. "The details will never be decided by the actuaries but by the workers and voters. But the actuaries could provide a sound basis for decisions in these matters."

RAPID GROWTH

The rapid growth of pension plans in recent years was reported by the actuaries. Trusted pension plans, largely developed since 1939, now represent about \$7 billion of reserves set aside. In addition, insured pension plans already numbering 2,300 now have reserves of some \$4 billion and an annual premium income of \$600 million.

At the forum on old age benefits, C. A. Siegfried, assistant actuary Metropolitan, presided.

R. J. Myers of the social security administration continued with a review of the OASI program as it now stands and then referred to the changes proposed by H.R. 6000. Almost 3 million persons are now receiving benefits totalling \$700 million, 2 million of whom are over 65. About a million eligible persons over 65 are not receiving benefits because they are actually working. The average monthly benefit now being paid to a retired husband and wife is about \$40. The trust fund is now over \$12 billion.

Important Service by Companies

H. E. Blagden of Prudential remarked that insurance companies are performing a very important service in connection with group retirement plans, under which over 2 million employees are covered, having total reserves of almost \$4 billion at the end of 1949. The retirement picture is not complete, however, until reference has been made to non-insured plans administered by trustees and to the provision personally made under regular insurance company annuity contracts through the individual thrift of the annuitant. R. A. Wishart of the G. B. Buck Co. estimated that about \$7 billion are now in the hands of trustees to provide pensions under non-insured plans, and noted that the most important factor currently affecting trustee pension plans is the activity of unions. He also emphasized the importance of the actuary in providing reliable estimates of costs, even though they may have little control over the actual method of financing pension plans.

W. D. MacKinnon, actuary Equitable of Iowa, reported on individual life annuities, which are still an important and expanding medium to providing for old age.

W. M. Anderson, general manager North American Life of Canada, reviewed the situation in Canada where old-age benefits at the government level are presently dealt with through federal provincial old age pensions and federal government annuities. There is no compulsory contributory old-age benefit system. Old-age benefits are available from age 70 on a means test, providing a maximum pension of \$40 (\$30 from federal funds) which can be supplement-

ed by an a provincial policy app level a t amount to age on a fu ed by a s plicable to

FEDERAL

Accord Wyatt Co. subsidized supported eral hando what it is, the OASI comparis alies of th marcatons who is "ou agement p that empl partial to wonderd ing, experi which they ly perman with an i the steel i result in u plans has plans and designed, i cumstances form. In ferred to t tion diffic pensions.

Discussi Bowerman that, in the national pr required te tality, had years. On costs of d age lives m preference average liv ly portion to replace from inter if the scale tras is ma must be g pation ratio

"Find Bes

Walter tual, stated ity had be portion as dollar differ than it was doubted, h viding line standard c interests c companies ality in bo a dispropo He sugges searching groups w improvement more liber also the de ent mortali for variou

Pearce S that stand ity were r the same p class must rpretation ple. He do of extra de centage of was a rel truth prob also point of a tape the older a tra mortali use as fre porary ext perhaps t posing ex waiving of \$1 or \$2 p A. C. W range of

ed by an additional \$10 paid entirely by provincial funds. Present government policy appears to favor at the federal level a universal pension of equal amount to all payable beyond a stated age on a full pay-as-you-go basis financed by a special social security tax applicable to all personal income.

FEDERAL "HANDOUT"

According to D. C. Bronson, the Wyatt Co., the stultifying effect of the subsidized grant (old age assistance) supported and encouraged with the federal handout, is coming to be seen for what it is, a political football rendering the OASI system somewhat silly in comparison and underscoring the anomalies of the latter in its synthetic demarcations between who is "in" and who is "out." In discussing union management pension plans, he remarked that employers as well as unions are partial to the trust fund basis, and he wondered if employers were temporizing, experimenting with a new gadget which they fear to welcome as sufficiently permanent to entrust under contract with an insured. The prediction that the steel industry board report would result in uniform industry wide pension plans has not materialized. Individual plans and funding methods are being designed, fortunately, to particular circumstances, not all regimentedly uniform. In closing his remarks he referred to the definition and administration difficulties inherent in disability pensions.

Discussing underwriting, Walter Bowerman, New York Life, pointed out that, in the case of constant extra occupational premiums, the extra premium required to cover, say 100% extra mortality, had declined greatly in recent years. On the other hand, the increased costs of doing business on under-average lives must be taken into account and preference should not be given under-average lives over normal lives. A goodly portion of mortality gains is needed to replace what were formerly gains from interest. He pointed out also that if the scale of constant occupational extras is materially lowered consideration must be given to revision of all occupation ratings.

"Find Best Substandard Groups"

Walter Tebbetts, New England Mutual, stated that if substandard mortality had been reduced in the same proportion as standard mortality, then the dollar difference between the two is less than it was before the improvement. He doubted, however, that moving the dividing line between standard and substandard classes would operate in the interests of the standard class, since companies with the reputation for liberality in border-line cases might receive a disproportionate share of such risks. He suggested as a better approach the searching out of those substandard groups which show the greatest improvement in mortality and giving them more liberal treatment. He suggested also the desirability of study of the present mortality and the premiums required for various substandard classifications.

Pearce Shepherd, Prudential, thought that standard and substandard mortality were not necessarily improving in the same proportion. Each substandard class must be studied constantly and interpretation of such studies is not simple. He doubted that either the number of extra deaths per thousand or the percentage of actual over expected deaths was a reliable guide and thought the truth probably lay between the two. He also pointed out that there is evidence of a tapering of extra mortality at the older ages, at least in the higher extra mortality classes, and suggested the use as frequently as possible, of temporary extra premiums. He thought that perhaps the expense involved in imposing extra premiums justified the waiving of extra premiums as low as \$1 or \$2 per thousand.

A. C. Webster, Mutual Life, said the range of the standard group can be

made as wide or as narrow as you please, regardless of the changing level of mortality, but that widening the limit might increase the mortality rate by bringing in a disproportionate share of substandard risks, particularly in the larger amounts. An alternative to broadening substandard groups might be a reduction in extra premiums.

He thought there are classes, formerly rated as substandard, which are now given standard insurance but this was because of favorable experience. He also thought that more use could be made, in the case of medical histories, of temporary extra premiums. He suggested frequent review of occupation ratings to keep up with improvement in occupational mortality.

John R. Larus, Phoenix Mutual, pointed out that the extra expense and the higher "not-taken" ratio where small extra premiums are imposed are sometimes greater than the small extra justifies. He mentioned that perhaps in medical impairment cases the average policy might be higher than in occupation cases, a greater amount might be waived than for occupation cases, but in any event \$3 per \$1,000 seemed more than could be offset by possible expense saving. Perhaps as much as \$2.50 per \$1,000 might be justified.

OLD AGE BENEFITS

Frank Kineke, Prudential, commented that legislation on old-age benefits is greatly influenced by political considerations. He sees little need for a flat death benefit, as more than half the population is covered by life insurance. He favors a level old-age income system.

George Immerwahr, Monumental Life, formerly in the old-age benefits division, said the present system does not and will not for a long time cover enough of the population and the changes now proposed for broadening coverage do not go far enough. He regards any system of financing a deferred benefit program as unworkable. The dual systems of old-age benefits and old-age assistance should not be perpetuated. He favors some form of disability benefit.

R. A. Hohaus, Metropolitan, emphasized the fantastic results arising from the old-age assistance program and suggested that if the old-age benefit system were broadened to cover all workers and broadened to pay benefits under a simple formula to people already retired, the federal government could be relieved of activity in the assistance field and current payments to retired people would be not far from the current OASI tax receipts.

Albert Pike, Life Insurance Assn. of America, could see no long-range control over social insurance benefits except financial control and that is impossible in a deferred benefit plan.

M. A. Linton, Provident Mutual, pointed out that the greatest danger in social security extension is the possibility of getting the minds of the public set that only the federal government can do this job. Should such a public opinion develop, then the atmosphere in which totalitarianism flourishes will be here.

Tie-in with Pension Plans

Howard Henington, Equitable Society, said the development of collective bargaining agreements establishing pension plans has brought forward a large number of new problems of actuarial importance which are greater under insured plans than under non-insured plans. Equitable has developed what is essentially a group immediate annuity contract calling for purchase of annuities at retirement in accordance with the employer's plan at the time. A deposit administration fund permits the employer to accomplish any degree, within limits, of advance funding which he desires. It is possible to provide a death benefit on the death of a retired employee by continuing annuity payments for a short period to the beneficiary, which apparently avoids a tax

problem under qualified group annuity plans.

F. P. Sloat, consulting actuary, New York, also commented on the tie-in of social security benefits with negotiated pension plans. Union programs and pressure give rise to considerable uncertainty, complicated by union politics where union leaders feel that they must outdo their rivals in the concessions they obtain. Unions want a say in the administration of the plans, and the fact that many plans are written as part of a short-term union agreement raises questions as to the permanence of the plan.

Clark T. Foster of Johnson & Higgins, New York, drew attention to the absence of reliable statistics on turnover, mortality and disability applicable to the class of lives now being covered under current pension plans. He suggested that the consulting actuaries should proceed with the appropriate investigations under non-insured plans. R. M. Peterson, Equitable Society, supported Mr. Foster's plea.

Maddex Honorary Member

Fifty-six new associates and twelve new fellows were admitted to membership by examination. Sir George Maddex, government actuary of Great Brit-

ain, was elected the first honorary member of the new society. Seven fellows of the Institute of Actuaries, England, and the Faculty of Actuaries, Scotland, were elected associate members, the examination requirement being waived on account of their membership in the British societies.

Ray D. Murphy, executive vice-president, Equitable Society announced that about 40 members of the society and their families had indicated their expectation of attending the International Congress of Actuaries in Amsterdam in the summer of 1951. Mr. Murphy is obtaining travel information from the steamship lines.

Joseph Musher, actuary of the railroad retirement board, submitted a paper on "Actuarial Aspects of the Railroad Retirement System." An actuarial note entitled "Average Age at Death Problems" was submitted by W. L. Grace and Dr. C. J. Nesbitt of University of Michigan. J. C. Noback, assistant actuary of Northwestern Mutual, submitted a technical note on "The Valuation of Self-Insured Retirement Plans."

The discussion on group A. & H. plans and on the expense limitation section of the New York law are reported elsewhere in this issue.



"Relax, Doc! It's just a gallon of cider I bought while I was out in the country!"

Bankerslifemen Are Known For Doing Things in a Big Way

The reputation Bankerslifemen have earned for doing things in a big way probably accounts for the horrified look on the face of the doctor in the picture above.

Seriously, Bankerslifemen are taught, right from the day they first enter an agency, how to work toward big objectives. The Bankers Life plan of training and supervision then actively aids their development into high quality, professional life underwriters.

Doing things in a big way is just one of the qualities that makes the typical Bankerslifeman the kind of life underwriter you like to know as a friend, fellow worker or competitor.

BANKERS Life COMPANY
DES MOINES

Name Sixth Analyst

The third junior security analyst to be engaged by the committee on valuation of securities of N.A.I.C. is W. Brewster Kopp who was with Wertheim & Co., New York. The names of the three senior analysts and the other two junior analysts were announced previously.

ACTUARIES

CALIFORNIA

**COATES, HERFURTH &
ENGLAND**
CONSULTING ACTUARIES

San Francisco Denver Los Angeles

ILLINOIS

THOMAS and TIFFANY
CONSULTING ACTUARIES

211 West Wacker Drive
CHICAGO 6
Telephone FRanklin 2-2833

Harry S. Tressel & Associates

Certified Public Accountants
and Actuaries

10 S. La Salle St., Chicago 3, Illinois
Telephone FRanklin 2-4020

Harry S. Tressel, M.A.I.A. Wm. H. Gillette, C.P.A.
M. Wolfman, F.S.A. N. A. Muscovitch, A.S.A. W. P. Kelly
W. M. Barkhoff, C.P.A. Robert Murray

INDIANA & NEBRASKA

Haight, Davis & Haight, Inc.

Consulting Actuaries

ARTHUR M. HAIGHT, President

Indianapolis — Omaha

MICHIGAN

ALVIN BORCHARDT

Consulting Actuaries

76 West Adams, Detroit 26, Michigan

Phone CADillac 9515

NEW YORK

Consulting Actuaries
Auditors and Accountants

Wolfe, Corcoran and Linder

110 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARY

ASSOCIATE

E. P. Higgins

THE BOURSE

PHILADELPHIA

VIRGINIA & GEORGIA

**BOWLES, ANDREWS &
TOWNE**

Consulting Actuaries

Employee Benefit Plans

RICHMOND

ATLANTA

Premium Receipt Elimination Eyed

(CONTINUED FROM PAGE 1)

declared that if a person doesn't pay his utility bill "the juice is shut off." He said an insurance policyholder should be provided with a similar signal. He would like to see the matter further explored.

Superintendent Dineen of New York said that his department went into the matter thoroughly. New York Life said it would save \$500,000 annually by eliminating receipts and Mr. Dineen said this is half a million dollars that belongs to the policyholders. Who is going to be hurt by elimination of the receipts? he asked. He contended that it is a waste of money to send them out. The matter ought to be explored from the standpoint of saving expense. Every opportunity ought to be welcomed to cut down on the costs. The idea should be to give the man on the street more for his money and not have his money go down the drain in unnecessary clerical costs.

S. E. Allison of Life of Georgia observed that his company is a combination institution and so would not eliminate premium receipts. He pointed out that for an ordinary company if the premium were not paid the states require sending a notice of lapse. That is comparable to shutting off the "juice."

Wants Uniform Procedure

Commissioner Allyn of Connecticut said that an attempt should be made to get uniform procedure on the part of the companies in connection with the elimination of receipts so that the public would be accustomed to the routine. Now there is a variety of methods and this may cause confusion. It should be made easy for the assured to get for a receipt. He shouldn't be required to write a letter.

Charles Houston of the Tennessee department said that in his state a policyholder is entitled to a receipt if he wants it. If a policyholder elects to waive demand for the receipt and there is no evidence of evil involved, perhaps there is no necessity for regulation.

Mr. Cravey said there is an all-seeing eye in Washington and that the commissioners should let well enough alone. They should not give Washington an opening.

Disability Benefits Plans Subject to Bargaining

A firm engaged in interstate commerce must bargain collectively with its employees before asking them to vote on a private disability plan, Harold G. Hoffman, former governor and now New Jersey's state employment security director, has ruled. His holding apparently makes disability benefits plans subject to collective bargaining and, unless it is upset, may mean that TDB plans in New Jersey will be in the same status as pension plans were nationally after the Inland Steel decision.

Mr. Hoffman held that Worthington Pump & Machinery Corp. had been unfair and improper because it refused to bargain with a local of the United Steelworkers Union before instituting a private disability plan. He instructed William F. Dittig, disability insurance superintendent, to set aside his approval of the private plan and to instruct the company to bargain with the union before conducting an election.

L.I.A.M.A. Admits 4 Companies

Four new companies have been elected to membership in L.I.A.M.A. They are Coastal States Life of Georgia, Homesteaders Life of Iowa, Lincoln Liberty Life, and South African National Life of Cape Town. The latter is an associate member.

Support for Overhauling of SS System Growing

(CONTINUED FROM PAGE 5)

represent a great change in the opinion of the life business from what it was before H.R. 6000 and the pension boom stimulated thinking on the subject.

Many think that there is merit in the views of W. Rulon Williamson, Washington consulting actuary, though they are not yet ready to go as far as his concept of social budgeting for the aged based on income taxes. They want to see the results of further study before committing themselves. Rep. Carl T. Curtis, a member of the House ways and means committee that conducted hearings on H.R. 6000, seems to agree in many respects with Mr. Williamson.

Such a drastic change, however, has no chance of adoption at this session of Congress.

Commissioners' Powers Vis-a-Vis FTC Viewed

(CONTINUED FROM PAGE 7)

port of the New York department which consisted of an exhaustive study of the mail order insurance problem. This should not remain in the libraries, he said. It should be gone over again when the Supreme Court hands down its decision in the Virginia case.

Originally, he said, the FTC rules were to apply only to the extent that the business was not regulated by state law. That restriction was lost in the shuffle. "You can guess why," he said.

The courts will give the final answer on the question of whether FTC can step in if FTC thinks there is "inadequate" state supervision.

Plan Griffith Foundation

Formal steps toward organizing the Charles W. Griffith Memorial Foundation for insurance education were taken at Columbus this week. The foundation will be an addition to the Griffith Memorial Library at Ohio State University.

Mr. Griffith was an honor graduate of Ohio State University, and was with the Ralph W. Hoyer agency of John Hancock at Columbus. He was the youngest man ever to serve as president of Columbus Life Underwriters Assn. He was killed in action in France during the recent war.

A cooperating committee to take charge of the foundation is being formed.

Retired Manager Honored

William C. Young, recently retired as district manager of Prudential at Lansing, Mich., was honored at a testimonial farewell dinner during the past week. Company representatives from nine Michigan cities attended. Mr. Young was presented a service plaque and a television set by A. G. Patton, assistant district manager at Jackson office.

Mr. Young had been with the Lansing office 19 years and with the company 37 years, having started at Seymour, Ind., in 1913.

J. J. Branscom Changes

J. J. Branscom, for the past five years manager at Oakland for West Coast Life, has resigned to become general agent at San Francisco for Washington National with offices in Central Tower building. Previously, for 15 years he was with American National, traveling the coast. He is general chairman for the sales congress May 18 of East Bay Insurance Forum at Berkeley.

Many Demands for Reprints

Travelers has received requests from the insurance fraternity and the general public for more than 60,000 of the reprints of the double spread advertisement in the Saturday Evening Post. It consisted of a digest of a recent talk by President Jesse W. Randall entitled, "Insurance—the American Way."

Unions Strike for Hospital, Accident, Surgical Benefits

What may be the first strike by unions for hospitalization, accident and surgical benefits insurance started at Paterson N. J., where 2,200 Jacquard silk workers and 1,600 plain goods weavers in 138 textile plants went on strike, pending receipt of a contract containing those provisions.

Tex. Parley on Conduct of Agents Selling Service Men

Thirty representatives of Texas companies which write life insurance at army posts and at naval bases met at Austin to discuss with Life Commissioner Butler complaints he has received concerning the conduct of their agents.

Mr. Butler stated that he was not in a position to say that the complaints were justified. They have come from California, Colorado, and Mississippi. He said the purpose of the meeting was to enable him to have correct data when appearing at the meeting of N.A.I.C.

Hartford Forum Apr. 25

L. J. Ackerman of University of Connecticut will be moderator April 25 at a dinner forum at Hartford on the function of the insurance man, attorney and trust officer in estate planning. General chairman is F. T. Fenn, Jr., National Life.

Herman Named at Akron

Occidental Life has appointed George K. Herman general agent at Akron, O. He has been for more than a year acting manager there. He joined Occidental after war service from which he returned as a captain in the engineers. He was formerly with Goodrich Rubber Co.

Pittsburgh Headliners

Speakers at the Pittsburgh sales congress April 13 include William S. Livenood, Jr., secretary of internal affairs of Pennsylvania; E. Price Ripley, National Life, Roanoke, Va.; Harry C. Copeland, Jr., Massachusetts Mutual, Ithaca, N. Y., and B. N. Woodson, executive vice-president of State Life of Indiana.

R. D. Pierce Kansas Actuary

Robert D. Pierce, Topeka, a disabled war veteran, has been named actuary of the Kansas department and will also supervise the life department. He succeeds Mrs. E. R. Hyre, resigned.

New Syracuse General Agent

Leon D. Strobeck has been appointed general agent of Manhattan Life in Syracuse. Mr. Strobeck entered insurance in 1930 and has been with Massachusetts Mutual and Columbian National.

Security Mutual Agencies Tie

There were three first division agencies of Security Mutual Life which tied for first place in the Russell loyalty contest of the company. They are the Beriman and the Yovits-Jaffe agencies of New York and the Payne agency at Binghamton. The Medler agency of Brooklyn led the second division and the Donigan agency topped the third division.

Plan New York Special Train

The New York committee on transportation for the annual meeting of National Assn. of Insurance Commissioners at Quebec, June 12-16, consists of E. H. Krause, manager of the travel bureau of Metropolitan Life and E. P. Marchesine, also of Metropolitan. It is planned to have a special train leaving New York Sunday evening June 11, arriving at Quebec the next morning.

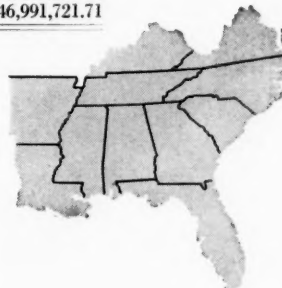
Growth with Stability



A good insurance company keeps its affairs in balance. Through 58 years, Life of Georgia has steadily enhanced its reputation as "The Old Reliable." Last year we paid policyholders and beneficiaries \$7,488,461—this was \$581,395 more than in 1948. We increased our assets by \$7,948,063 to a total of \$46,991,721 while life insurance in force rose \$67,442,251 to a total of \$643,194,676. Policy reserves were increased by \$6,745,904 to \$30,406,169.

Financial Statement for the Year Ended December 31, 1949

<i>Assets</i>	PER CENT	AMOUNT
U. S. GOVERNMENT SECURITIES	17.60	\$ 8,269,434.00
STATE, COUNTY AND MUNICIPAL BONDS	13.70	6,439,118.93
RAILROAD BONDS	2.43	1,140,554.72
PUBLIC UTILITY BONDS	18.36	8,625,881.52
INDUSTRIAL AND MISCELLANEOUS BONDS	3.80	1,785,308.24
STOCKS	4.49	2,110,586.00
MORTGAGES (FIRST LIENS)	27.70	13,016,034.38
REAL ESTATE:		
OFFICES (INCLUDING BRANCHES)	3.76	1,766,606.10
INVESTMENT	2.81	1,320,179.77
POLICY LOANS . . . . .	.07	33,066.48
CASH	2.66	1,250,542.42
INTEREST AND RENTS DUE AND ACCRUED . . . . .	.51	241,581.04
PREMIUMS IN COURSE OF COLLECTION	2.08	975,653.92
MISCELLANEOUS ASSETS . . . . .	.03	17,174.19
<i>Total Admitted Assets</i>	100.00	<u>\$46,991,721.71</u>
<i>Liabilities and Surplus</i>		AMOUNT
POLICY RESERVES		\$30,406,169.08
RESERVE FOR SICKNESS AND ACCIDENT CLAIMS		253,991.74
DEATH CLAIMS DUE AND UNPAID		None
DEATH CLAIMS REPORTED BUT PENDING PROOF		109,638.83
RESERVE FOR UNREPORTED CLAIMS		100,000.00
PREMIUMS AND INTEREST PAID IN ADVANCE		598,448.10
ESTIMATED AMOUNT DUE AND ACCRUED FOR TAXES		576,847.78
RESERVE FOR PENSION PLAN		2,111,202.16
AGENTS' BOND RESERVE AND INTEREST		525,200.00
MISCELLANEOUS LIABILITIES		399,332.01
<i>Total Liabilities Except Capital</i>		<u>\$35,080,829.70</u>
VOLUNTARY CONTINGENCY RESERVE, SURPLUS FUNDS AND CAPITAL FOR FURTHER PROTECTION OF POLICYHOLDERS:		
GENERAL CONTINGENCY RESERVE		\$ 1,200,000.00
MORBIDITY FLUCTUATION RESERVE		300,000.00
UNASSIGNED SURPLUS FUNDS		3,410,892.01
CAPITAL STOCK		7,000,000.00
<i>Capital and Surplus</i>		<u>\$11,910,892.01</u>
<i>Total</i>		<u>\$46,991,721.71</u>



"Thank you, Mother, but we'll stay here..."

"When Dick took on the responsibility of a family, he meant it forever. I know your home is always open to us, and I'm more grateful than I can say. But we're still a family—the children and I. And this summary of Dick's life insurance program shows that we still have a provider! I have extra money to take care of immediate bills. A modest, but adequate check will come each month until the children are grown . . . then a smaller income when I've only myself to look after. The mortgage is to be wiped out immediately . . . and there's money for the children's college.

It's wonderful what life insurance can do, when a husband is as thoughtful and unselfish as Dick."



Estate Control is a powerful instrument for good in the hands of an alert insurance adviser . . . one of many reasons why a life insurance career is satisfying in every sense of the word.

ÆTNA LIFE INSURANCE COMPANY

HARTFORD 15,



CONNECTICUT